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Slovak Parties Reject German Treaty Initiative

AU0210114392 Bratislava SMENA in Slovak
29 Sep 92 pp 1-2

[Survey signed by "rk, mb, po": "A Politically Short-sighted Calculation? Reactions to Prime Minister Vladimir Meciar's Statement"]

[Text] Slovak Prime Minister Vladimir Meciar's proposal to the German side for the conclusion of a new treaty between the Slovak Republic and Germany after Slovakia becomes independent has resounded throughout the Slovak political scene. As this was an unexpected initiative, we were curious about the reactions of political parties represented in the Slovak parliament.

Pavol Kanis, deputy chairman of the Party of the Democratic Left [SDL]: Even during the approval of the Czechoslovak-German treaty in the Federal Assembly, the SDL assessed the treaty from two aspects. 1. As long as the European integration process continues, this treaty will establish suitable and advantageous prospects for the CSFR to join this process. 2. Should the integration process fail, however, this treaty could become dynamite under Czechoslovak-German relations, in view of the problems that it does not resolve. Even at that time speculations appeared that, with regard to relations with Germany, Slovakia's position is more advantageous than that of the Czech Republic. It seems that also Vladimir Meciar's proposal is based on this reasoning. The proposal surprised me very much because it came at a time when great political skills have been exerted to find optimum forms of coexistence between the Slovak Republic and the Czech Republic. This proposal hits Czech foreign policy and the Czech identity at one of its most vulnerable spots. The Czech side might respond to it by speculating about disagreements between the Slovak Republic and Hungary. I find such actions undertaken just to spite the other side politically intolerable and shortsighted and they should not happen between two nations that are that close and, moreover, still inhabit the same country.

Julius Bardos, press secretary of the Hungarian Christian Democratic Movement: Prime Minister Meciar's statement illustrates the contradictions in the activity of the Slovak Government. Let us only remember how many times the Slovak side stressed that concluded treaties are valid.

Jan Carnogursky, chairman of the Christian Democratic Movement [KDH]: The KDH considers friendly relations and alliance with the Czech Republic to be Slovakia's objective strategic interest. Our movement has repeatedly stressed that Slovakia should not undertake steps that the Czech Republic might interpret as directed against itself. The Czech Republic could regard statements by Vladimir Meciar, chairman of the Movement for a Democratic Slovakia and Slovak prime minister, about the conclusion of a Slovak-German treaty as a threat to its interests. We view them as an attempt to pursue a policy of pressure toward the Czech Republic.

Such a step might jeopardize the conclusion of treaties between the Czech Republic and the Slovak Republic and could set off an avalanche of retaliatory steps leading to the destabilization of Central Europe.

Slovak Ethnic Tensions: Finnish Solution Seen

92CH0027B Bratislava UJ SZO in Hungarian
28 Aug 92 p 8

[Report by (sm): "Written by Others: The Example of Finland"]

[Text] The 21 August issue of the Prague SVOBODNE SLOVO published an interesting interview that is especially noteworthy from the point of view of Hungarian endeavors in Czechoslovakia.

In the name of the paper, Jiri Danek interviewed Kari Senius, Finnish translator, president of the Finnish-Czechoslovak Society, and honorary consul of Czechoslovakia in Tampere. Part of the interview concerns the relationship between the Swedish minority in Finland (6-7 percent of the population) and the Finnish majority. According to Kari Senius, the situation of the Hungarian minority population of Slovakia is similar to the Swedish minority in Finland. The editor of SVOBODNE SLOVO, referring to the experiences of his first trip to Finland, asked if the bilingual signs he saw in many places, even in the capital, cause any tension. He received the following answer:

[Senius] First of all, beyond the common international languages, in our schools the Finnish children learn Swedish, and the children with Swedish as their mother tongue learn Finnish, without regarding these two as foreign languages. We regard Swedish as the "other domestic language." Namely, according to the Finnish Constitution, we have two official state languages. The townships in which the proportion of the minority population—be it Swedish or Finnish—exceeds 10 percent are to be regarded as bilingual. If, for instance, there is a Swedish majority in a township, the first official language is Swedish, the second, Finnish. Of course this principle also applies the other way around. Starting in the first grade, children are taught in their mother tongues, and this is indeed correct. Namely, language is the basis of a ethnic group's culture and history, even if it is a minority ethnic group. And we would regard a restriction on this as a violation of human rights. Our children, who learned their language from their mothers, have a right to use this language, not only in school, but all their lives.

[Danek] All their lives? Don't you think that persons who are more closely attached to Swedish have decreased career possibilities?

[Senius] Although I may not claim this with complete certainty, I think their career chances are not decreased.

[Danek] Don't these rights of minorities induce some sort of psychological, subconscious antipathy?

[Senius] I think not. Actually, I didn't even understand your question. I don't understand at all why these rights should induce such feelings.

[Danek] Although I don't understand it either, I asked this question in view of our reality.

[Senius] We did have such problems, as well. But we reached a reasonable compromise: The minority understood that they have as many rights as they need, and the majority, that no one infringes on their rights.

Velky Zitny Ostrov Towns Protest Danube Dam
*92CH0027A Bratislava SZABAD UJSAG in Hungarian
 15 Sep 92 p 1*

[Statement issued by the Organization of Velky Zitny Ostrov Towns and Villages in Dunajska Streda on 11 September: "Growing Discontent; Velky Zitny Ostrov Protest"]

[Text] *Statement issued in Dunajska Streda by the Organization of Velky Zitny Ostrov Towns and Villages on 11 September 1992.*

We note with regret that the Slovak Government's standpoint on the hydraulic power plant in Bos has not changed, and it continues to ignore the standpoint of the population living in the affected areas, as well as the concerns of environmental protection, with special regard to the quality of the supply of drinking water.

Because of the population's growing discontent with the construction of the "temporary technological substitute solution" throughout Csallóköz [Velky Zitny Ostrov], we deem it necessary to appeal once more to the Slovakian National Council and the Government of the Slovak Republic in the matter of the hydraulic power plant.

We make it absolutely clear once again that the standpoint of the mayors of the area has not changed since the statement accepted on 25 April 1992 at the Danube Conference, and that we stand by the resolutions of that conference.

We note with regret that up to this day, the officials in charge have not taken into consideration a single point contained in the petitions and statements issued by the Organization of Csallóköz [Velky Zitny Ostrov] Towns and Villages on 3 February 1991, 2 July 1991, and 18 February 1992. The problems raised in our previous protest continue to exist.

The complete results of professional research that would answer our worries can only be expected in 1995, but by then, regardless of the results of this research, it seems that there will no longer be any questions to be decided.

We continue to call to mind that we are responsible for the future of the area to our voters and to our children, and

that we will not be able to justify our failure in the matter of the hydraulic power plant to future generations.

Strasky Interviewed About Failure To Pass Bill

*AU0810145292 Bratislava NARODNA OBRODA
 in Slovak 3 Oct 92 pp 1-2*

[Interview with CSFR Prime Minister Jan Strasky by B. Janik in Prague on 2 October: "Divergence Between the Civic Democratic Party and the Movement for a Democratic Slovakia in the Offing?"]

[Text] Prague—*Prime Minister Jan Strasky was the initiator of yesterday's extraordinary meeting of the Federal Government, which took place shortly after 0700 GMT. After the meeting, we asked the prime minister a number of questions:*

[Janik] Prime Minister, why did you call the members of government at about midnight to convene them for the morning?

[Strasky] We had to pass judgment as soon as possible on the proposal by the deputies in the Economic Committees of the House of Nations and the Chamber of People regarding the postponement of the deadline by which the bankruptcy law should become effective. We based our decision on the fact that the next Federal Assembly meeting was scheduled to take place by the end of October, and we wanted to present it in the Federal Assembly at its meeting on Friday [2 October]. After the Federal Assembly meeting, however, we learned that the meeting would continue on Thursday [8 October].

[Janik] You certainly discussed the situation that arose after the decision by the parliament on Thursday [1 October], when the parliament did not pass the law on termination of the federation, which your cabinet had presented, and the proposal to establish a Federal Assembly Presidium Commission for Drafting the Law on Czechoslovak Union, the so-called Zeman plan.

[Strasky] Despite the fact that the discussion lasted less than an hour, we did deal with that issue. We discussed the consequences for the cabinet stemming from the vote you have mentioned. That is to say, it had a direct impact on the government's policy statement, which we want to adopt at a meeting on 7 October.

[Janik] As a representative of the Civic Democratic Party [ODS] in the government, did you consult Vaclav Klaus about the agenda of the extraordinary meeting or did you discuss the results of the voting in the parliament with him?

[Strasky] I must say that it was not my intention to pit the positions of the ODS club of deputies against those of the For a Democratic Slovakia Movement's [HZDS]—or those of the two political parties. I only wanted to find

out what the government should do in such a situation. However, I did not consult Vaclav Klaus on the matter, as you have put it.

[Janik] On Thursday [1 October], however, you participated in a two-hour meeting with the ODS chairman and the ODS club of deputies. It was the most topical issue there, was it not?

[Strasky] That is true. I was in the club of deputies, and I also participated in the two-hour meeting with Chairman Klaus. We certainly discussed the entire problem in general. The thing was to make it clear what the government should have done before the parliament meeting on Friday [9 Oct]. There were various alternatives—such as the possibility of the no-confidence vote in the government, for example—and we wanted our extended policy statement—which is to be approved on Wednesday [7 Oct]—to reflect what had happened.

[Janik] What is the result of the extraordinary meeting of the government?

[Strasky] We have reached no conclusion, we made our positions clear, and we gave ourselves a task for the weekend, according to which each and every member of the government should adopt his own position.

[Janik] A stand on the so-called Zeman plan according to which Czech-Slovak relations should be governed by a Maastricht-style treaty?

[Strasky] Exactly. We have to make it clear whether in the Federal Government policy statement there should be a positive, negative, or no reference at all to the proposed union. The previous policy statement provided for an organized and peaceful separation of the two states. However, there is a completely new situation now.

[Janik] Will you wait until the regular meeting on Wednesday [7 Oct]?

[Strasky] We will see. Wednesday is the last deadline, but if necessary, we will meet again, as we did on Friday.

[Janik] Do you think that the Slovak prime minister's walkout from the State Defense Council and his discussion with the opposition in the parliament indicated how the law on the termination of the federation would end?

[Strasky] I usually do not draw conclusions from things that are not related. I do not believe, for example, that Mr. Meciar knew in advance about Deputy Zeman's proposal, and I have no proof that the two things are directly related. Mr. Meciar could have simply correctly guessed the development. Anyway, we, too, knew that the voting on the bill on termination of the federation would be a close shave. I dare not say, however, whether the walkout from the State Defense Council, or the HZDS discussion with the opposition, had any effect on Thursday's [1 Oct] voting. I have no proof of that.

[Janik] Some people are saying that all that happened with HZDS approval, and high officials of your movement said that the HZDS has violated its agreements with the ODS. You met with the chairman of parliament and both deputy ministers—that is, the three strongest HZDS representatives in Prague—on Friday [2 Oct]. Did you speak about that problem?

[Strasky] Anyone who watched the live broadcast from the parliament on Thursday [1 Oct], for example, or heard the opinion of ODS Chairman Vaclav Klaus, could have understood it that way—me, or anyone else. The three HZDS representatives assured me, however, that it was not the truth, that the ODS should not understand it that way.

[Janik] Do you trust them? Or, do you accept what they said?

[Strasky] Well.... we have to seek a completely different course of action, if we want to implement the peaceful alternative of the separation of the republics under the auspices of the Federal Assembly and the Federal Government. Should that not be desirable, however—and it will become apparent at the meeting of the Slovak and the Czech Government on Tuesday [6 Oct] in Zidlochovice—there will be nothing left for me to do than to think about when the government should give everything up. We also spoke about alternatives that could be expected to materialize next week, and about the steps the government should take.

[Janik] What is your opinion on the anonymous ODS sources who are saying that the ODS can now provoke their partner, that is, the Slovak side, into taking unconstitutional steps—or that the ODS itself can take them. Kalvoda's Civic Democratic Alliance, too, said immediately that now the parliament could be circumvented peacefully....

[Strasky] I do not know who those sources are. But as far as I know, no one mentioned such a possibility—no one of those from the ODS representatives whom I spoke with.

[Janik] What solution do you see to this, at first sight stalemate, situation?

[Strasky] There are really many. I could speak for a long time about them.

[Janik] Tell me about three of them, at least.

[Strasky] One way would be to make a concession regarding the law of the termination of the federation, for example, we could accede to the ratifying referendum. The second way would be to let the law on the division of the federation's property be passed and see whether it would make the Federal Assembly more yielding. It is exactly there that I see room for the government to maneuver. The third way would be to amend the power-sharing bill so as to have only a horizontal effect, that is, no powers would be transferred to the republics.

[Janik] The last question, prime minister. What is your personal opinion about the idea of the Czechoslovak Union, and what is the ODS opinion.

[Strasky] Mine is a completely negative one. The ODS—its Executive Committee—has not had time to express its official position yet.

[Janik] Will there be a divergence between the ODS and the HZDS?

[Strasky] [punctuation as published]

Writer Claims CSFR Intelligence in Disarray

*92CH0978A Prague RESPEKT in Czech
No 36, 1992 p 2*

[Article by Boris Lazar: "The Glitter and the Misery of Secret Services: CSFR Government for Three Years Without Intelligence Services"]

[Text] Espionage is eternal. Governments would not forswear it even if they could do without it. They love it above all else. And even if one day things went so far that we would really have no enemy in the whole wide world, governments would think of one for us, and that is something we should not worry about in the slightest (John Le Carre, *Russia House*).

It is an incontrovertible fact that since 1989 four Czechoslovak secret services have not given the government one single piece of information that would have decisively influenced a government decision. The question is how much blame for that rests on the services and how much on the government itself.

The quality of intelligence information is contingent on the quality of the assignment: Where there is no well-defined problem there cannot be a good solution. One of the causes of the present woeful state of the services is that the government has failed to provide them with a quality definition of the problems they were supposed to address. The second reason was the instability of the state which affected the secret services more than any other agency of the state administration. A third reason was the absence of a clearly defined state information system, a fourth in the insufficient cooperation between individual branches. Only in the fifth place is the low quality of the services themselves, exhibited primarily in an inappropriate, neo-Communist notion of the importance of their own role.

Insuring the Insurance by Law

The misery of the Federal Security Information Service (FBIS) was caused by three things: bad law, insufficient professional expertise of the director and his deputies, and failure to understand the elementary fact that the post of a secret service officer is the least suitable position from which to promote one's own political ambitions.

The law on secret services was supposed to take account primarily of the citizen's rights: it was to be part of the legislation protecting data and information and define precisely under what conditions and what kind of information about the citizen the secret service is allowed to collect. In its present shape the law permits collecting any kind of data about virtually anyone: It is possible owing to the vague definition of "activity against the security of the state" in its second section. It was probably under the protection of this passage that the FBIS collected information on political opposition.

Another absurdity in the law is the position of the director of the security service who sits in his chair much more securely than a government minister. For to recall him requires the consent always of at least two of the three highest institutions of the state: the parliament and the president, or the parliament and the government.

A secret service belongs among the agencies of the state administration and without a question must be counted with the executive power even though its members have no direct executive prerogatives. But the law on FBIS does not give the government any power of control, the cabinet even lacks a say in matters of its budget. Item 3 of the fourth section stipulates that the director is responsible to the parliament and not to the government. A "parliamentary secret service" is of course unique in the world.

If the Czech National Council takes over the law without change, including a Czech security service, it may lead to some consequences. Either there will be conflict with the government which can not for long accept a "parliamentary executive body" with very vaguely defined powers and with a legally sanctioned ability to plant its people in any agency of the state administration, or there will emerge a new ministry for state security that will take control of the entire state administration. The second variant means a return to the totalitarian state.

The law on FBIS is a characteristic expression of the post-totalitarian thinking where the legislative power incessantly seeks to assume executive power as well, where the dominant atmosphere is one of pathological distrust of the political adversary expressed by the constantly emphasized fear of an "abuse of power," where there is a never-ending search for insurances of the insurance and where society fails to realize what risks it takes on when it prevents the government from governing.

The West Praises FBIS

Some 99 percent of the work of a secret security service consists of intelligent police routine and for that reason it is the usual practice in the world to select for it experienced and able police officers. Most European countries place their security services under the interior ministry. That model has no sensible alternative: the service cannot function without close collaboration with police structures. For the work of the director of a secret security service the same rules ought to apply as for

police directors: he is responsible for the performance of duty, but in no case allowed to make important political decisions.

Enough criticism has already swirled around FBIS. All censures shared a common denominator in the unprofessional intrusions into politics by the service's director or top officials. Alongside that, shall we say, "political FBIS," there also exists another FBIS, which turns in solid work and has already earned even international recognition for it. It involves primarily the antiterrorism and partly also the counterintelligence sections. In the report for 1991 issued by the German BfV (the security service) it says of the FBIS that it has changed into an organization comparable to the services of democratic countries. Such an evaluation is highly important: To the West it is proof that our society is becoming democratized.

A Czech security service must be depoliticized and placed under strict government control. It is totally inadmissible for that service to concern itself with opposition politicians, save in cases of well-founded suspicion of terrorism or espionage. But even then the decision should not be made by the service on its own; it must be made by a constitutional authority which then bears responsibility for it. In a democratic state a legally operating political party may not be perceived as something subversive.

Intelligence Agents With a Diplomatic Passport

The Czechoslovak state is indulging in a luxury not often seen in European conditions when it maintains two intelligence services: the General Staff's agency and the Bureau for Foreign Liaison and Information (UZSI) reporting to the Interior Ministry. Another Czechoslovak specialty is the fact that military spies operate abroad under diplomatic cover. Foreign experts estimate that 30 to 40 "nonlegals" as the spies are called by their chief, General Kozojed, operate in NATO and EFTA countries. It is not clear who bears responsibility for this matter, whether the government or the State Defense Council.

It is generally known in the West that the influence of the Soviet GRU on Czechoslovak military intelligence was at least as great as the KGB's on the StB [State Security]. After 1968 the intelligence service lost even a mere "appearance of being independent," to use the apt phrase by one of its members.

Unlike UZSI where after November much the same purge was carried out as in the entire ministry of the interior, in military intelligence the seasoned Communist cadres have stayed on. Sending Communist intelligence agents to NATO countries is of course a costly and unsupportable political risk. General Kozojed uses every opportunity to explain to his Western partners that his military intelligence men in the West do not handle agents but merely "study open sources." Even if we believed the general (which the Western services do not), it changes nothing in the fact that this "study" is much

too expensive: one military spy costs the Czechoslovak taxpayers roughly 1.5 million korunas per year.

Main Cooperation Is in the Family

The public has the distorted notion that with the fall of communism the activity of Western intelligence services vis-a-vis the CSFR has increased. The exact opposite is true. Espionage is a costly affair and most governments act rationally: where information can be obtained by diplomats it is unnecessary to plant agents.

Large intelligence services operating worldwide obtain approximately 65 percent of their information from their own sources, 30 percent from allied services and only a small remainder from other, mostly accidental sources. That shows how large the role of international cooperation in this area is. It is not surprising: The anticivilization and disintegration trends are growing ever stronger and perceived by us as a common, universal threat.

The principal task for a Czech intelligence service will be to join the "family" of democratic secret services with whom we share the same values and whom we are also prepared to join in defending them. The men of a Czech intelligence service can fulfill that task only and solely if their organization is a civilian one. European services will never go into a deeper "liaison" with military intelligence, not just for political, but also for substantive reasons. The tasks of secret services derive from the state's foreign-policy and security conceptions and it is wholly inadmissible that either one or the other should be determined by the generals. They bear responsibility for defense, nothing more and nothing less. There can be only one task for military intelligence: by using technical means, to observe the territory of neighboring countries to the depth of 50 up to 100 kilometers. Excepting military attachés, soldiers with a diplomatic cover have no business in foreign countries.

Trained to Battle the Enemy

Intelligence services draw upon three kinds of input: contacts, sources and secret sources. The last means a person working knowingly for a foreign service and thus violating the laws of the state of which he is a citizen. In a hostile environment the intelligence personnel have no recourse other than to these secret sources. Such work naturally requires quite special approaches which are demanding in terms of time, funding and training of core personnel. Here the methodology of the former StB First Directorate often lends itself to good use.

In countries we do not regard as hostile and where our interest lies in cooperation in the security area, the intelligence service must use fundamentally different methods. And this is precisely where the present UZSI comes up short: within the organization former officers of the First Administration predominate, and they are unable to work in any other but a "hostile" manner.

Many accusations recently aimed at UZSI lack sufficient merit. But in one respect the criticism was justified. The Bureau for Foreign Liaison failed to fulfill the task it was given by Minister Langos: to train a new generation of intelligence personnel capable of resolving the problems faced in this day and age by the intelligence service.

B. Lazar (b. 1946) is a RESPEKT contributor and commentator.

Rychetsky Objects to Property Division Agreement

*92CH0975A Prague INFORUM in Czech
14 Sep 92 pp 3-4*

[Article by Civic Movement Deputy Pavel Rychetsky:
"A Peculiar Decision by the Coalition"]

[Text] It began with a letter from Vladimir Mečiar addressed to the chairman of the Civic Democratic Party [ODS] accusing the latter of failing to fulfill the terms of the agreement and saying that the Movement for a Democratic Slovakia [HZDS] would, therefore, not participate in any further negotiations between the parties regarding our future at the next firmly established meeting date. V. Klaus published his response, in which he literally complains that "after the June elections, the Czech side acquiesced to weakening and practically liquidating the joint state only under the pressure of the Slovak emancipation process." Now it is upset because Slovakia is no longer in such a hurry to see the dissolution. Both of the roosters with ruffled feathers eventually did meet again, even a day early, at the infamously famous Brno Tugenhadt villa, only to notify us after several hours of negotiations that the Czech and Slovak Federal Republic would be disbanded on 1 January 1993 and that, simultaneously, two independent states would be constituted. And that is that—the leaders of two political parties have decided and you, Mr. Citizen, are left to wonder!

A retrospective view of the development of the past week, which began with the announcement of the election results, confronts us with a number of questions. Let us pose some of them—Did the Czech side (read ODS, because no one else from the Czech side was present) have to acquiesce to the weakening and virtual liquidation of the common state? Did it have the right to do so? Is it possible to interchange the program of the HZDS, which is curious and contains all of the variations of the constitutional arrangement, with the Slovak emancipation process?

Within a period of a mere two months, the decision by both victorious political entities to disestablish the joint state primarily because they had difficulty seeking a common language and common starting positions with respect to other aspects has become visible in truth. The public, which—at least in the Czech lands—has lost patience, is beginning to be largely inclined toward a quick solution. A paradoxical situation has come into

being in which everyone who respects the valid constitutional system and rejects the breaking up of the state merely on the basis of election results is indiscriminately designated as a leftist. Emphasis on adhered-to constitutionality and legitimacy in eliminating the old state and in creating new states on its wreckage should not be an object of ideological stigmatization. Whatever type of cornerstone we place in the foundation of our new statehood will stay there.

The attitudes of both victorious political entities with regard to the principles of a state of law can be most accurately demonstrated on the basis of their public declaration regarding the fact that the common state is no longer any kind of federation anyway and that the lopping off of its remaining functions blot it into a comatose state which is calling for being mercifully murdered. What kind of lopping off, what kind of residual functions are we talking about if, between 10 December and the present, there has been no change in the constitutional delineation of authorities between the federation and the republics? Since the day Vaclav Klaus proclaimed that his party favors a functional federation, albeit a slenderized one, that is to say, one with still narrower authorities, and his present proclamation that the federation has already lost its functionality, there has been no slenderizing nor has there been any other constitutional change. Apart from the election fiasco surrounding the useless election of a president, the highest legislative body of the state has yet to deal with any aspect of its successor legislative and constitutional duties. The legislature has thus far not even been granted the opportunity to express itself with regard to the questions of the continued existence of the state of which it is the sole sovereign representative, in the absence of a head of state. Nevertheless, we are witnesses not so much of a constitutional and legal demise of the state, but of an actual disintegration, which is playing out outside of the normal democratic mechanisms only at the level of two political representations. We are thus witnessing not a nonfunctioning federation, but a nonfunctioning coalition—an uncoalition—which has put together a federal government, but which only has a bare majority in the Federal Assembly. Each of the two partners is capable of blocking any kind of law put forward by the other within the Federal Assembly, but neither of them is capable of asserting his proposals against the other's will. In normal functioning democracies, even such cases are provided for. For example, a temporary caretaker government is set up, made up of specialists, or the existing government continues to function, new parliamentary elections are set, or the contentious question is put before a referendum. None of these democracies would think of solving a constitutional crisis or a political defeat within the government coalition by disestablishing the state.

From the beginning, the Civic Movement considered it to be most advantageous with respect to the present and the future of the citizens of Czechoslovakia to live jointly within a state which has not only deep traditions, but which gained the sympathy and admiration of the entire

world, into which it opened a realistic road, as a result of its courageously conceived democratic reform steps following November 1989. However, we are not in a situation in which it would be purposeful and possible to hold the state together by artificial means or even by force. It is, thus, necessary to seek ways leading to legal undisputed and convincing partition of the state, taking into account both our constitutional system and also the standards of international law. As a rule, modern countries do not arrange for their demise in their constitutions. On the contrary, we find in their constitutions an entire series of provisions to block some major constitutional changes. Thus, for example, the French Constitution, in its Article 89, prohibits any proceedings intended to change the Constitution which have to do with the integrity of the state territory or its republican form of government. The Italian Constitution specifically prohibits any changes in the republican form of government. In France, Italy, united Germany, and Austria, changes in the constitution which touch upon the arrangement of the countries of the federation or regions (Germany, Italy), upon the organization of the organs of public power (France), or which have to do with other fundamental changes (Austria) must be confirmed by a referendum after being adopted by parliament. According to the Belgian Constitution, the parliament is automatically dissolved if it proposes a change in the Constitution. A proposed change in the Constitution is then discussed in the legislative assembly which results from new elections.

We shall not find an answer to the question of how a state can be legally dissolved in the constitutions of developed democratic nations. The fundamental attribute of each state unit is the existence of its state territory, controlled by a system of state power organs (legislative, executive, judicial) created from the will of its citizenry and independent of other states.

The demise of a country can occur by various methods. It can disintegrate as a matter of fact, for example, it can be annexed, that is to say, its entire territory can be attached to another country on the basis of a military defeat and the total destruction of its organized state power. On the basis of the will of its own citizenry, expressed in a plebiscite, a country may also opt to attach itself to another country already in existence or form a new third entity of state law together with that country. An independent state can also come into being as a result of splitting off a portion of the territory of the existing state—if such a procedure is not regulated by intrastate arrangements. A popular vote is also required here. Frequently, the coming into being of some states is erroneously coupled with a declaration, that is to say, with a one-sided proclamation regarding the constituting of a new state. That is an error. In international relations, declarations are used in two ways—as a joint solemn proclamation by several states to adhere to agreed-upon principles in a certain question (for example, the conference at Yalta, the Teheran conference, the Paris Declaration on Maritime Law of 1856) or as a unilateral

declaration, expressing the will of the nation to adhere to certain rules in the future (the U.S. Declaration of Independence, the French Declaration of the Rights of Man and Citizen). In order for a declaration to become binding and enforceable, it must be confirmed by an international agreement in terms of international relations and in terms of internal national relationships, must be confirmed by an act of legal power. Czechoslovak constitutional law does not recognize a declaration as a source of law. A possible declaration by the Federal Assembly would have the same character as a resolution, in the sense of a valid constitution and in the eyes of the law on agendas, which the delegates might pass to declare a lunch break. The same is true of a possible declaration by one or another of the national councils.

Valid Czechoslovak constitutional law provides for only one form of demise of the state and that is through secession of one of the republics on the basis of a majority vote in a referendum held on the territory of the appropriate republic. The results of the demise of the joint state would, in such a case, become effective one year following the publication of the referendum results in SBIRKA ZAKONU.

Only the appropriate national council is authorized to initiate such a referendum and it is most likely that the demise of the CSFR in this way would be interpreted in accordance with the Vienna Accords on Contract Law and Succession in such a way that the severed state, in contrast to the remaining territory, would lack legal continuity and would be beginning from scratch. In other words, this is a way which is unacceptable to either representation, because it does not provide them equal chances.

According to Vladimir Meciar, there is yet another constitutional way toward the demise of the federation as a joint federal state. It is the false interpretation of Article 142, Paragraph 2, of the Constitutional Law on the Czechoslovak Federation, which states as follows: "Until such times as the Constitution of the Czech Republic and the Constitution of the Slovak Republic are adopted, constitutional conditions within these republics shall be governed by this constitutional law and by the remaining constitutional regulations." By contrary reasoning, V. Meciar reaches the conclusion that until the effective date of the Slovak Constitution, constitutional and possibly even other laws passed by the Federal Assembly lack validity on Slovak territory. However, this is an error because the Slovak, or rather the Czech National Council can, on the basis of Article 142, Paragraph 2, of the Law on the Czechoslovak Federation, adopt their own constitutions, to regulate their constitutional conditions. They can, thus, regulate the origin and standing of republic-level organs, including the republic president, in complete independence and sovereignty. However, they may not exceed the limits of authority outlined by the federal Constitution, according to which both republics are obligated to respect the sovereignty of the Czech and Slovak Federal Republic,

which is, in turn, obligated to respect their sovereignty. Thus, all three entities of state power are obligated to respect their own legal codes, which must be compatible. The adoption and the effectivity of a so-called full constitution by one of the republics which would fail to respect the existence of the federal legal code and Constitution would, thus, be an unconstitutional act. At the same time, this would be a step which would disrupt the existence of the common state in fact and any further search for legitimate ways to disestablish the federation would be absolutely superfluous.

Who has the mandate to decide on the disestablishment of the state? That mandate is undoubtedly not held, and cannot be held, by any one political party. Its delegates are obligated to protect and develop the state, in the spirit of their constitutional oath. Elections to the Federal Assembly were participated in by 85 percent of all authorized voters; this crushing majority of citizens expressed their will that the federation and its organs should exist by casting their votes for the candidates to the federal legislative body. In listing the theoretical means leading to the legitimate demise of the state, it is thus not possible to forget the referendum as an authentic manifestation of the will of the citizens of a democratic state. Occasionally, we encounter demagogic claims that a referendum is a sort of repetition of a parliamentary democracy, into which we are tying. Let him who so claims look around among the constitutional systems of the parliamentary democracies. He will find that it is precisely within a system of representative democracy that a referendum has a firm place and that it is an isolated case in presidential models.

At press conferences, Jiri Dienstbier is frequently asked—"And what would you do if you were in Klaus's place?" Well, here is the answer: The demand for international legal subjectivity for Slovakia could be reacted to without emotion in full harmony with the Constitution. The election results and the charge by President Vaclav Havel to begin coalition negotiations and to put together a federal government means nothing less than an inquiry as to the willingness to participate in the government, that is to say, in forging the state. If

someone demands full international law subjectivity for a portion of a joint state, he is calling for disintegration of the state and for creation of an independent Slovakia. He undoubtedly has the right to do so and even—in contrast to all other states—has the necessary and legitimate means to do so here. In the case of the HZDS, it even has the strength and can—through its delegates in the Slovak National Council and with the assistance of the separatist SNS [Slovak National Party]—initiate a referendum in Slovakia regarding the secession of the Slovak Republic from the federation. In other words, Vaclav Klaus had the opportunity to react in the spirit of the valid Constitution, as well as in the spirit of the charge received from the president. He could have informed his partner that striving for an independent Slovakia is quite another song which is played according to a score which is different from that which resulted from the charge received from Vaclav Havel. Whoever wants to sing this other song cannot, at the same time, sit within the Federal Government. I have serious doubts whether a politician could be found in Slovakia (not excepting even Meciar) who would have embarked upon such a road. And to the extent to which he would have done so, it would have been a relief even for us in Bohemia. Everything would have gone smoothly and constitutionally and there would have been no doubt even with regard to succession in the international legal context—just like Lithuania, Estonia, Latvia, Slovenia, and Croatia, so does Slovakia have the right to secede from the contemporary state. It needs only the will of its citizens expressed in a referendum.

Today, however, the disadvantage of a unilateral secession from Czechoslovakia is obvious. That does not mean that we are against a referendum. Its present constitutional arrangement, however, is not acceptable in terms of the newly arisen situation and we, therefore, favor its amendment. The new constitutional law regarding the demise of the country should make it possible to place the same question before the citizens of both republics:

Are you in favor of breaking up the Czech and Slovak Federal Republic into two independent states?

Prague, 28 August 1992

Government Announces New Privatization Program

93CH0031A Budapest FIGYELO in Hungarian
1 Oct 92 pp 1, 7

[Article by Tibor Krecz: "The Most Recent Government Work Program; Breaking Through Privatization"]

[Text] A brand new government work program has been prepared to renew privatization in Hungary. The latest plans were made in order to allow privatization—a means to accomplish changeover to the market economy—to make an accelerated, decisive contribution to the transition.

It is the function of the new strategy to rank the goals of privatization: a propertied middle class, structural change, the attraction of capital, and the expansion of the group of persons involved in the marketplace.

The framers of the program hope to discontinue the exclusivity of the revenue-centered outlook in the practice of the State Property Agency [AVU], to narrow the scope of spontaneous privatization, to give preference to Hungarians wanting to acquire property, to improve the flow of information, and to decrease the amount of cash contribution required. Only thereafter could a broad and strong domestic propertied stratum evolve.

By the middle of September the minister without portfolio in charge of privatization and his team were ready with a government work program to renew the privatization process in Hungary. The stated reason for the most recent plan: Since privatization is the means by which economic structural change and the transition to the market economy can be accomplished, its acceleration could decisively contribute to the success of the transition. The following is a cross section of the work program.

Tamas Szabo's workshop started out by setting the goal of defining a new concept, and the first phase of this work involved a situation assessment. (See boxed item below!) The new concept is based on the premise that a deep-rooted change in ownership conditions must occur in Hungary within a short period of time in order to make private ownership conditions dominant and irreversible.

The new privatization strategy is also supposed to rank the goals of privatization: to develop a propertied middle class, to advance structural change, to attract capital, and to increase the number of persons active in the marketplace. A priority for the future: to establish a strong and broad Hungarian propertied stratum.

The work program is also supposed to discontinue the exclusively revenue-centered outlook in the AVU's practices, to narrow the scope of spontaneous privatization, to give preference to the acquisition of property by Hungarians, to broaden information provision, and to reduce the ratio of required cash contributions. They are reviewing all existing privatization methods that could counteract these new considerations.

The privatization strategy working group promises liberal demand and conscious supply policies. The broadening of opportunities for Hungarians to acquire property becomes the centerpiece on the demand side. A realistic opportunity must be established for Hungarian entrepreneurs to acquire a significant volume of assets, and the privatization activities of future small owners must be stimulated, according to the plans. Credit certificates issued to individuals, privatization leasing, opportunities for installment payments and/or letters of credit could serve as vehicles to accomplish this. A continued need to attract individual savings exists of course, and thus it would be inconceivable to permit the use of any of the privatization techniques free of charge. The fact that personal property cannot be used as a guarantee when individuals acquire property is an important condition.

On the supply side the new privatization policy proclaims decentralization as the main principle. The framers of the program acknowledge the fact that no complete, up-to-date information concerning state property exists. All forms of state property are important from the standpoint of the new supply policy, and the unencumbered state of such property is of no less significance. In this regard the study makes clear that enterprise development, also hoped to result from a decentralized supply, could produce results only if starting enterprises were not suffocated by burdens inherited along with privatization. And to ensure that this is not going to happen, one must weigh various alternatives by which the state could provide guarantees, the idea of converting borrowed funds into capital, and the leasing program. The work program also deals with property to be transferred to various branches of Social Security, to public foundations and other nonprofit organizations, and with the property of enterprises subject to liquidation. The property to be transferred to Social Security would be valued at 300 billion forints at the time of transfer, and this amount would be increased by interest calculated on the basis of the basic central bank interest rate. A government decree would state the types of enterprises in which Social Security could acquire 25 percent plus 1 vote, or majority control. Within the nonprofit sphere, Hungarian institutions of higher education, hospitals, health care and social welfare institutions, church institutions performing social welfare, educational and scientific functions, the MTA [Hungarian Academy of Science], etc., would enjoy preference in the course of transferring property.

Members of the working group regard the conversion of the economic organizational system as the key to the deep-seated renewal of the privatization concept. Decentralization is desirable at large enterprises which include several similar plants, at organizations which integrate cooperative or service units, and regarding chain stores which sell typically consumer goods or food. The study regards the breaking up of these units prior to conversion

into stock corporations as the best solution. The framers of the plan also counted on factors of uncertainty that could arise in the course of decentralization, such as concern by lending banks about their outplacements and collateral related to such outplacements, and lack of demand that retards decentralization in parallel with privatization.

Tamas Szabo's associates believe that autonomous bodies, such as enterprise councils and meetings of delegates, that retard the reorganization of enterprises most, must be discontinued within the shortest possible time. The study regards the placement of enterprises under state administrative supervision followed by incorporation, or the conversion of given state enterprises into corporations in the framework of a single legal act as means by which these retarding factors could be eliminated, and states that placing enterprises under state administrative supervision would be the preferred way of accomplishing this.

The study indicates that a certain group of state enterprises to be defined by the government based on economic policy considerations could be transferred under private ownership as a result of a centralized privatization proceedings. The AVU would play the lead role in such proceedings. Except for these strategic enterprises, state property would be sold without the direct involvement of AVU; individual transactions would be performed by "privatizers" chosen by AVU based on competition. The new privatization strategy attributes greater significance than before to the role to be played by the stock exchange; it predicts spectacular stock issues, encourages low issuing prices, and promises stock purchase on installment, as well as tax benefits.

The strategic privatization working group also promises the development of a detailed, thorough information system concerning the supply of property to be privatized. The new plans also assign an important role to investment funds. The study also states that the temporary management of state property must not be dealt with separately, removed from privatization.

The financial aspects of the new privatization strategy include the following: interest rates charged on credit certificates and installment agreements used for the purpose of acquiring state property will be more favorable than those applicable to any other form of property acquisition; guarantee requirements will be reduced, but the significance of sound business proposals will increase; a legal regulatory system will be framed to govern venture capital investment firms; attractive investment opportunities must be offered to small investors; investment banking activities must be resurrected.

[Box, p 7]

At Crossroads

These are the findings of the working group that developed the new privatization strategy, concerning the way state property has been sold in Hungary, and the results achieved thus far:

1. During the two and a half years since the establishment of AVU, 8.3 percent of the former state property has been transferred under private ownership, and the series of transactions produced 85 billion forints in revenues. One-fifth of the state enterprises has been converted into business organizations. A deep-rooted change is needed in Hungarian privatization practices so that the process lives up to the historic significance of privatization and is responsive to the needs of economic transition.
2. Contradictions in Hungarian privatization raise questions insofar as a conscious building of society and of the economy are concerned; these create uncertainty regarding the development of a modern, social market economy.
3. The record shows that the privatization activities of the past two years have hardly contributed to the evolution of a civil citizenry in Hungary.
4. Based on the pace of privatization thus far it is hardly possible to achieve the government economic policy goal for 1994: the reduction of the ratio of state-owned property below the 50-percent level.
5. As practiced today, privatization transactions have a buying and selling character, and "broader determining factors and economic policy goals" remain beyond the horizon.
6. As presently practiced, privatization contributes to the reduced performance of the national economy, and to economic deterioration. Only a loose relationship has evolved between the sale of state property on the one hand, and the processes of economic structural change, on the other.
7. Only a few Hungarian investors are capable of satisfying cash requirements (about one-sixth of the property value) established in the course of present-day privatization. Starting an enterprise requires additional cash. Interest rates are too high as compared to the expected profitability of an enterprise.
8. Broad strata of society do not have an opportunity to appropriately understand the privatization process. Developments that can be directly sensed by society are the deteriorating condition of enterprises, the continued life of the old leadership structure, layoffs, and a lack of information concerning foreign investor strategies.

Government's Handling of Dam Issue Criticized

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12 Sep 92 pp 7-9

[Interview with Janos Vargha, leader of the Danube Circle, by Ferenc Koszeg; place and date not given: "Is the C-Variant a Paper Tiger?"]

[Text] *By the time our paper appears, the reader will perhaps know the result of the Slovak-Hungarian negotiations and the decision about the Bos dam, construction*

on which continued even after the Hungarian parliament abrogated the contract on the dam. Janos Varga, leader of the Danube Circle, who wrote numerous articles for the samizdat BESZELO, thinks that the government as well as individual government members are guilty of serious negligence, because they did not demonstrate in time and in a determined manner that Hungary does not accept any version of the dam. We asked the well-known environmentalist about his assessment of the Hungarian Government's behavior and intentions directly before the negotiations by the prime ministers. (Our paper was represented by Ferenc Koszeg.)

[Varga] I think one must definitely differentiate between one and the other part of government, because it seems that we cannot talk about a unified government position at this moment. One part of the government is preparing for something which is not a compromise, but the diversion of the Danube. And if the technological solution is carried out, it will lead to the implementation of the original scheme, the Bos-Nagymaros dam, the dam driven to maximum output. On the other hand, other forces in the government would like to bring the question before the international court of The Hague, in accordance with parliament's decision. But I don't want to make a statement in the government's name. I would much rather talk about what the environmentalists want. I think I am more competent to do that.

Is Compromise Possible?

[Koszeg] At the 2 September meeting of the Hungarian Foreign Policy Association, Ivan Baba said that compromises are necessary in international relations, and that international organizations in general support compromises. It occurs very rarely that they unequivocally take the side of one or the other party. What is the compromise that Ivan Baba was talking about?

[Varga] I reiterate, the word "compromise" is misleading. We are talking about either putting the dam into operation, or abandoning it. These are the two possibilities, with no compromise between the two. A dam cannot be put into operation halfway.

[Koszeg] According to the original plans, 50 cubic meters of water per second would flow through the old bed of the Danube. Now we are talking about 500, or even 600 cubic meters; thus, the lowest natural level of the river would be preserved.

[Varga] This lowest water level occurs very rarely. The water level, and consequently the ground water level, created by a water output of 500 or 600 cubic meters per second is not enough to preserve the ecological conditions, i.e., the forests in the catchment basin could dry out even at this water level. When this will become apparent, officials will decide that it is not even worth draining 600 cubic meters, let it be only 50.

[Koszeg] The 500-600 cubic meters will not prevent the pollution of ground water?

[Varga] No. In this case, the ground water will flow into the Danube; thus, the river will not feed, but rather will drain, the ground water.

The Commodity of Hydraulic Engineers

[Koszeg] What is the environmentalists' position?

[Varga] The environmentalists do not accept the necessity of making huge long-term sacrifices in order to avoid a short-term political conflict. Our starting point is that if the Danube is diverted, all possible measures together will not be able to preserve the values of the areas alongside the Danube, which are not only our assets, but also those of future generations. Politics is completely insensitive to these positions. From the point of view of hydraulic engineers, the Danube's kinetic energy is idle, free energy. But this energy is being utilized, for instance to move alluvial deposits, to float silt, to preserve the balance of flooding conditions, to clean the riverbed. The reservoir acts as a trap for silt, and the insulated side channel is practically unsuitable to preserve the living conditions of any natural combination of living beings. Every single technical parameter of the planned project, the operational expenses, the economic significance of shipping, and the possible output of power generation, make it likely that if the dam is put into operation, there will be no alternative to building the dam in Nagymaros. The issue is that either we continue constraining the Danube into an artificial channel and constructing dams from the German reaches down to the Black Sea and complete the job, or we can stop this process and can preserve the still remaining natural reaches. First, dams were built at reaches of the Danube where this was economically somewhat more acceptable. When they ran out of these reaches, hydraulic engineers started planning power plants for the economically less advantageous reaches, as well. To sell their commodity to the politicians, they invented political advantages. According to a Slovak paper, the side wall of the Bos canal will be the wall that stops the Hungarians at the border. This is why a long time ago canal builders envisioned the political advantages of connecting individual nations by waterways. Already in the last century Frantisek Palacky thought that a future independent Bohemia will have to annex Slovakia in order to control the Danube, which connects the Czech nation with its southern and eastern Slav brothers.

[Koszeg] Then the philosophers and writers are to blame for the whole thing. The canal, as a human accomplishment altering nature, the idea of classical humanism. See Dr. Faustus.

[Varga] There was a time when the hydraulic engineer was the supreme power. This legend drives hydraulic engineers who, on top of all this, think that only big dams can convince politicians of the magnificence of water management, so one must build big dams, because the small underground pipelines which would be very important from the point of view of environmental protection are not suited to convince politicians. The

great plans are devised by engineers, in cahoots with the engineers and industrialists who in the past invented the first large excavators. A huge apparatus is formed, a small kernel of which makes enormous amounts of money, and thus, until it is faced with political obstacles or with the limitations of environmental resources, the planning and investment continues as a self-propelled process, which finally ruins all rivers. In the case of Bos-Nagymaros, the question is will we succeed in wounding this self-propelled machinery, will we succeed in creating a precedent that would enable us to stop not only the plans, but also the start-up of 80 percent of the plants that have already been built? This is not only a Hungarian issue, not only a Slovak issue, and not even only a Middle-European issue, it is a much larger issue that is known in every country of the world. Thus, it is very important for the lobby of hydraulic engineers everywhere in the world that the matter be decided in their favor. The reason why the Danube-Rhine-Main Canal Society argues for putting the dam into operation is not that the two have anything to do with each other technologically or with respect to shipping, because they are canals with completely different parameters; rather, they are afraid that if Bos is demolished, they will have great difficulties in having their further absurd hydraulic projects accepted.

[Koszeg] Indeed, one hears the argument more and more often that with the completion of the Danube-Rhine-Main canal a waterway has been created which connects the Black Sea with the Arctic Sea, but which will only become navigable throughout if the Bos side-canal is completed.

[Varga] One must take a look how big the Danube-Rhine-Main canal is, what kinds of ships can travel on it, and one must take a look at our reaches of the Danube. A little regulatory work was already done in the 1970's, but only half of it was completed because in the meantime the system of dams was within reach. At those reaches of the Danube where the small regulatory projects were carried out properly, a waterway exists which is twice as wide as the Danube-Rhine-Main canal and has the same navigational depth. The navigation parameters which exist on the Bos canal do not exist on the Danube either at Budapest or below Budapest.

A House of Cards

[Koszeg] Back in the illegal times when it seemed that nothing stands in the way of building Nagymaros, the Danube Circle suggested a compromise: Let the Bos power plant be built without driving it to maximum output, i.e., without Nagymaros.

[Varga] In 1985, when we were still faced with a totalitarian state and a hydraulic industry in its service, the thought arose that instead of a frontal political attack we should apply a strategy which seemed politically more acceptable. Let us concentrate our forces on the Nagymaros power plant, because if that plant is left out, driving the dam to maximum output—which would

cause especially serious damage—becomes impossible. But beyond that, the whole system is like a house of cards; if we pull out Nagymaros, the whole thing will collapse. For a normal and rational way of thinking, if we reject maximum output, the whole reservoir becomes senseless, such a large Bos side canal also becomes senseless, the whole thing becomes senseless. This is why the hydraulic engineers were fighting vehemently for preserving the round dam of Nagymaros. The Nagymaros landscape is slumbering like Sleeping Beauty, but the prince from the fairy tale can come any minute to kiss her forehead, and construction can be resumed. What I said about the house of cards is true in reverse, as well. If the dam is put into operation, than the building of further dams on the Danube will follow, Nagymaros will be built, then Adony and Fajsz will be built, as the dams on the Rhine were built from the last century into the seventies. One can already hear the argument that the riverbed is becoming deeper because of the Austrian dams. But this will always be the case; based on this argument, newer and newer dams will have to be built, as it was done in Austria. The river rolls the deposits, this is what it uses a considerable part of its energy for, it has a dynamic balance, it builds its delta, fills up valleys, etc. If I put a dam on the river, the silt will be deposited, because I took the river's energy; when it arrives to free reaches again, the water will speed up, picks up the sediment, and deepens the riverbed. On the Rhine, where they do not build any more dams, yearly 100,000 cubic meters of gravel is carried *back*, and has been carried back for the past 10 years, in order to prevent the further deepening of the riverbed. According to scientific opinion, this is the relatively most acceptable solution.

What Motivates the Government?

[Koszeg] Such an additional expense must reduce any financial gain.

[Varga] The environmental damage, the consideration of environmental and social impact, if we try to evaluate them from an economic point of view, make the construction of the dam completely absurd. But Bos-Nagymaros is unprofitable as is, a private entrepreneur would never build it as a private investment with the usual conditions on bank loans, only with state guarantees, as the Austrian ambassador explained in A HET [television news program] on Sunday. However, the lobby of hydraulic engineers has considerable political clout. If a government bases its power primarily on an alliance with the industrial lobbies, as was characteristic of the bolshevik system, because in the one-party state the central committee was a negotiating body of the industrial lobbies and the power-enforcement machine, then environmental and social, or if you wish, cultural aspects are pushed into the background. Today in Hungary the situation is such that the environmental minister, and unfortunately apparently a part of the present government, fell into this trap, and yielded to the lobbies.

[Koszeg] Isn't it possible that the wait-and-see policy of the government, or of individual government members, can be explained by considerations of foreign policy more than by the success of lobby interests?

[Varga] This is true, but it is based on the—I think erroneous—foreign policy judgment that one can expect a service in return for complying with the demands. It is a bargaining idea to make this allowance to Slovakia, so that the reemergence of the Little Entente would be prevented. It seems to me that even various government experts disagree in the matter: The deputy state secretary of the foreign ministry is more afraid of the Little Entente than the deputy state secretary of the defense ministry. Slovakia passed a constitution which was labeled antidemocratic both by the Prague papers and by the diplomats of Common Market countries, because it does not guarantee the rights of minorities. What sort of concessions would Slovakia make if the dam were built? And how can Hungarian minorities be protected by ruining an area inhabited to 80 percent by Hungarians?

[Koszeg] In 1989, every oppositional force agreed in one matter: Bos-Nagymaros should not be built. Currently the key positions are occupied by people who seriously and actively participated in the Danube movement: Ivan Baba, deputy state secretary, and Gyula Kodolanyi, director of the prime minister's counseling body. How is this present wavering possible? Couldn't we say with some good will that it is precisely the responsibility of government which causes originally devoted people to search for a compromise?

[Varga] I would rather say that taking on a position in politics, the move into Kafka's castle, confines people's view and influences them to such an extent that they are no longer able to think in such broad contexts as the environmentalists are trying to do. By the way, let me reiterate that I am not against compromise. A compromise is possible, for instance if the two parties mutually agree in sharing the burden in an equitable way, on the basis of a compromise.

[Koszeg] What will happen if the Slovakian party refuses to bargain and carries out the C-variant, i.e., unilaterally diverts the Danube?

[Varga] I think the C-variant will be put into operation if the Hungarian party continues to display indecision and disunity, and is ready for concessions—incidentally, senseless concessions, because diverting the Danube is fraught with extremely great technological risks and will only be carried out if the Slovakian party hopes to force the start-up of the Dunakiliti plant by doing so. The Slovaks themselves say that they regard the C-variant as a temporary solution which would only minimize the damage caused by the Hungarians, and if the Hungarian

party agrees to return to the original scheme, they will stop its operation. However, the environmental damage caused by the C-variant does not significantly differ from that which would be caused by putting the Dunakiliti dam itself into operation. If Hungary participates in diverting the Danube, Hungary will share the responsibility for the environmental damage, the aggression against humanity and the living world. In the year of Rio! It would be a great moral capital if the government stressed that we do protect the environment.

[Koszeg] But what will happen, what steps are possible, if there is no consensus and the C-variant is carried out?

[Varga] First of all, the Hungarian Government must hold out the prospect of all sanctions allowed by international law. The government can appeal to organs of the European Security Cooperation Conference, to the countries which have signed the Paris peace treaty, and to the Security Council, and it can bring up the question in various UN organizations. Moreover, we can appeal to the court in The Hague; if the other party is not prepared to appear in court, this only proves politically that it considers itself responsible. It is the greatest political folly to suppose that the court in The Hague will make a judgment of compromise, so let us anticipate it with a voluntary compromise.

[Koszeg] And if Slovakia defies the position of the international authorities and even the international sanctions?

[Varga] Then the Hungarian Government will finally create the internal prerequisites for the representation of the country in international organizations by politicians who respect ecological interests and the decision by the Hungarian parliament. In such a case, Slovakia will most certainly exclude itself from the international community. Namely, Slovakia as a new state and as a state which has already displayed certain excesses, is starting in this field with worse chances than Hungary. Geza Jeszenszky wrote a book about how Hungary spoiled its originally good position in the opinion of the British public by the bad representation of its causes. It would be good if the foreign minister read this book and utilized its message.

[Koszeg] Radical circles in Hungary, and we know they exist, might use the unilateral Slovakian step—which would undoubtedly run contrary to international law—to push the Hungarian Government through nationalist propaganda in the direction of an armed conflict with Slovakia. In other words: Can you imagine that this will lead to war?

[Varga] In the European political system which was formed in the last century, Hungary was only involved in conflicts as a satellite of a great power. This possibility does not fit into my way of thinking.

Obstacles Confronting Government Coalition
92EP0684A Warsaw RZECZPOSPOLITA in Polish
16 Sep 92 p 3

[Article by Slawomir Dabrowski, economist, publicist, activist of Movement for the Republic, and adviser to former Prime Minister Olszewski: "Dilemmas of the Hanna Suchocka Government"]

[Excerpt] [Passage omitted]

The Social Challenge

From its very beginning, the Suchocka administration has been facing social anxieties and strikes. In view of its genesis (it was formed as a result of a political game), the new government was not given credit of confidence by the public, which has been expecting it to solve all at once the growing problems. But that could not be, of course, accomplished by the new cabinet: it did not and does not have a program, and it merely knew what it did not want (lustration, Olszewski, radical changes), without having any idea as to what to do once it assumed governance.

Lacking social legitimization and a program, the Suchocka government is trying to create the appearance of a resolute cabinet, trying in this respect to imitate Mrs. Margaret Thatcher. This reduces to a resolute stance toward the public, of which it demands further sacrifices and toleration of those who ruined Poland, that is, communists, as well as of those who are managing best in the existing situation, that is, of all kinds of wheelers and dealers.

This unequal distribution of the social burden of change is bound to culminate soon in a social revolt against the Suchocka government.

Only an immediate change in the present stance of the cabinet—an honest settlement of accounts with the past, support of decommunization, and dialogue with the public instead of the present arrogance toward it—can make Prime Minister Suchocka and her cabinet credible in the eyes of the public and endow the government with the moral and political right to ask the public to make further sacrifices and remain patient.

Unfortunately, there do not seem to exist any prospects for expecting such a change in the policies of the present cabinet, which bodes ill for this government. In the next few months, the economic and social situation will deteriorate, which means a growing discontent with the actions of the government and a growing antigovernment mood. This will be a severe testing of the governing coalition.

The Coalition-Parliamentary Challenge

The Suchocka administration, like that of Olszewski, is a coalition government.

It is a heterogeneous coalition based chiefly on the UD [Democratic Union] and the KLD [Liberal-Democratic Congress], with the ZChN [Christian-National Union], the SLCh [Christian Peasant Party], the PL [Peasant Accord], and the PChD [Party of Christian Democrats] being "admixtures," as it were, for the purpose of gaining a majority in the Sejm and imprinting a centrist stamp on an alignment that is basically leftist, that is, on the "Small Coalition." The coalition partners differ in their ideologies, pasts, and programs, and they also differ in the extent of their influence on government policy, which is much greater in the case of the UD or the KLD than in the case of the ZChN or the PL. The compromise needed to reach this parliamentary understanding meant greater political sacrifices to the ZChN than to the UD. As a result of all this, this is an unusually fragile coalition that can be maintained only on the condition that the government score a major political success. But it is certain that for the next few months no such success is foreseeable. Thus the tensions within the governing coalition and among its individual participants will become more pronounced.

It can quite confidently be assumed that in the very near future, given the public mood, Solidarity will distance itself from the Suchocka government, and this will turn the cabinet from a majority into a minority one.

Any attempt to broaden the base of social support by recruiting the PSL [Polish Peasant Party] or the PC [Center Accord] into the coalition has little chance of succeeding because either of these two parties will join the government only on condition that the post of prime minister be assigned to it. In that event we would be dealing with a change in government rather than with its reconfiguring.

A minority government, with all its negative consequences in the parliament and among the public, would prompt its members to resign rather than to remain in it. As to who would be the first to opt in favor of "deserting" and why, under that scenario, that would be no longer of any significance to the then initiated process of a rapid disintegration and collapse of the government.

The Suchocka government will have huge problems with the opposition in the Sejm, which almost in its entirety is interested in having this cabinet fall, because some of the parliamentary parties (such as the PSL and the PC) expect to form the next government while others (e.g., the KPN [Confederation for an Independent Poland]) count on early elections. That is why every opportunity for clashing with the government so as to weaken it will be assiduously exploited by the parliamentary opposition. And there are countless such opportunities: the issues of abortion, lustration, and decommunization, amendments to the budget, the 1993 budget, the acceptance of the 1991 budget report submitted by the government of Jan Krzysztof Bielecki, the Lewandowski Affair, foreign policy, economic policy (e.g., the mass privatization program), and so on.

What makes it all even more odd is that there will be no simple division into the government and the opposition: in many cases (the issues of abortion, lustration and decommunization, and the Lewandowski Affair) the lines of division will run sharply across the government, separating the ZChN and the PL from the UD and the KLD.

The Presidential Challenge

In such a situation, the relations between the government and the president will be particularly important. The cooperation between the Small Coalition and Lech Walesa made it possible to topple the Olszewski government and appoint Waldemar Pawlak to the post of prime minister. However, differences arose already in the process of forming the Suchocka government, with the president wanting the Pawlak cabinet to continue and accepting the Suchocka government only reluctantly as a necessary evil (although, of course, in public he enthused over Prime Minister Suchocka and the ministers she had appointed).

According to reliable sources, Lech Walesa is still seriously considering the possibility of forming a Pawlak cabinet (in October or November), which entails the prior fall of the Suchocka government.

If only for this reason, conflict between Lech Walesa and that government is bound to be a foregone conclusion. But this conflict is due to a deeper reason: the president's attitude so far. To Lech Walesa, an independent government pursuing its own program is unacceptable and a vital threat. That is why he accepted a government totally subservient to him (as in the case of the Bielewski cabinet) but has been rejecting others (as in the case of the Olszewski government).

The Suchocka cabinet, which is based on the Democratic Union—with its strong personalities and a strong anti-Walesa mood—is a threat to Walesa, and it is to be expected that the president is going to take strong measures aimed at that government. Once this happens, the fall of the Suchocka government seems a foregone conclusion.

A Provisional Government

The Hanna Suchocka government is in an extremely difficult and complicated situation.

It is dealing with objective difficulties it cannot avoid, on which a position has to be taken, and for which good solutions do not exist.

To solve the economic and financial problems of the state, the postcommunist formula will have to be abandoned, and this will conflict with the interests of influential, strong, and large social and political groups.

If that is not to be done, emergency measures with immediately tangible negative consequences (especially in the economy) would have to be taken.

Whatever, either of these solutions means taking steps that will be both unpopular and, to many people, injurious.

The Suchocka government does not seem to be able to cope with this challenge. It is politically weak: weak in its coalition design, in the lack of social support, in the lack of a program, and above all, in the lack of the will to take radical measures. Moreover, in the next few months it is liable to enter into numerous conflicts with the parliament, with the president, and with the public.

In view of all this, it can be stated nowadays that the failure, provisional nature, and fall of the Suchocka government are much more likely than its success, stability, and survival.

This in its turn raises the question of what will follow the Suchocka government: a new government or new elections?

It appears that it is time to start looking for an answer to this question.

Consolidation of Right-Wing Forces Discussed

93EP0684B Warsaw PRAWO I ZYCIE in Polish
No 38, 19 Sep 92 p 4

[Interview with Senator Zbigniew Romaszewski by Zdzisław Zaryczny; place and date not given: "The Right Wing Begins To Stir"]

[Text] [Zaryczny] Let us be equally frank: When you were first elected to the parliament by a huge landslide, it seemed that the group of independent senators was gaining a leader. But now, after almost a year, you find yourself in the camp of the extreme right. Have you changed your views?

[Romaszewski] Of course, my views have not changed, but it is the times that have changed greatly. Contrary to what you seem to think, my career this year shows that an independent stance is not getting the credit it deserves—from the public probably not, and from the parliament definitely not. This has been very clearly proved by, e.g., the elections to the chairmanship of the NIK [Supreme Chamber of Control].

[Zaryczny] I do not think that the results of that secret balloting impair your credibility. They are due to some backroom deals.

[Romaszewski] It also turned out to be absolutely necessary to hand me, after 2200, my dismissal from the chairmanship of the Radio Committee, signed by Prime Minister Pawlak. Thus, one must at a certain moment look truth in the eye and realize that one is simply standing in a kind of vacuum, that in this parliament a moderate centrist stance is exceptionally unpopular and has practically no effect on political life in this country.

[Zaryczny] What does it point to?

[Romaszewski] To the rise of the most varied extremist moods. In my opinion, this is a far greater danger to the polity, system, and very existence of our state than even a parliamentary split. A parliamentary split can be overcome in time, but if the fight is "to the death," the situation becomes very dangerous.

[Zaryczny] What, specifically, has influenced your attitude?

[Romaszewski] If a special Sejm committee for scrutinizing the lustration law of 23 May drafts a recommendation that greatly resembles the accusation once directed against me on the grounds of "making preparations to overthrow the PRL [Polish People's Republic] by violence," and if it intends to place former Prime Minister Olszewski and former Minister Macierewski before the Tribunal of State—this being proposed by the same people who, e.g., are blocking the placement of Generals Jaruzelski and Kiszcak before the Tribunal of State for imposing martial law—then at such a time one must really make a choice whose side to take: that of Jaruzelski and Kiszcak or that of Olszewski and Macierewicz.

[Zaryczny] So that was why you chose the extreme right?

[Romaszewski] First, I resolutely answered that I do not belong to the current coalition camp. Secondly, in my personal semantics I do not accept divisions into the "left" and the "right." These concepts, taken from the 19th century, are essentially quite inadequate to describing the situation of a country switching from a totalitarian system to democracy. Nowadays they are used either as invectives or a kind of label.

[Zaryczny] In that case, where does run the main line dividing the Polish political scene nowadays? How to identify who's who?

[Romaszewski] That line manifests itself chiefly in tolerance of the signs of existence of the postcommune.

[Zaryczny] To oversimplify, who was an agent and who was not?

[Romaszewski] The issue of lustration has indeed become a litmus test of the attitudes of Polish politicians. In this matter it is difficult precisely for me to take a position, because I was elected a representative of the position of the Senate, which does not necessarily have to be the same as my own.

[Zaryczny] Are the differences wide?

[Romaszewski] I consider the Senate proposal as highly restrictive. On the other hand, as a committee chairman I am bound to say that making this proposal less restrictive would not at all result in adding to the number of its supporters. It is simply that certain matters have been prejudged and are no longer questioned nowadays. It may turn out that the president, the prime minister, or the ministers used to be communist agents, that every politician used to collaborate with the SB [Security Service]. On the other hand, the opponents of lustration

believe that the issue should be pushed under the rug completely and buried. This is the kind of extremism that I must oppose. A politician must be accountable for who he is and was and what he has done.

[Zaryczny] Given the present public mood, can the lustration and decommunization be carried out in a rational manner?

[Romaszewski] Certain stages have to be crossed; the later they are crossed, the worse. Lustration in 1990 would not have been a problem. That precisely is what irks me about the previous governments. After all, that is not a problem to millions but, truth to say, to a couple of thousand individuals and a couple of thousand positions. In the meantime, however, the problem has grown to an unnatural size. We who live in Warsaw and frequent the salons do not quite realize how much the opinion, "nothing has changed," is nowadays common in Poland.

[Zaryczny] That was one of the principal arguments used by five politicians—Jan Olszewski, Jan Parys, Antoni Macierewski, Romuald Szeremetiew, and you yourself—when convening the "summit meeting" of the right wing for 20 September. Will a new political party be established at that meeting?

[Romaszewski] I would not term it a rightist formation; if it comes into being, it will rather be a center-right one, that being the minimum prerequisite. Generally speaking, however, I would rather view this as an attempt to establish a social movement, an attempt to find support for certain political concepts.

[Zaryczny] Szeremetiew is a Pilsudskiite, behind Parys is the conservative right, and behind Jan Olszewski are the Christian-Democrats.

[Romaszewski] Some uniformity of views on certain issues has to be achieved. If a single movement is to arise, we have to know what we have in common and what divides us. To me—perhaps not until the end but at least at present—the Christian-Democratic ideology sounds the most promising. Nowadays, the social teachings of the Catholic Church are, I believe, the most modern and most cohesive social doctrines.

[Zaryczny] What would you want to contribute to a movement thus conceived?

[Romaszewski] Moderation, centrism, respect for certain values, such as the rights of man.

[Zaryczny] Your standing among these five is, however, the weakest. Parys has the support of the Movement for the Third Republic, Olszewski that of the Christian-Democratic Forum, Macierewicz that of a large segment of the Christian-National Union, and Szeremetiew, that of the Polish Independence Party. You are alone.

[Romaszewski] This does not worry me that much. I notice that many members of the Senate and the Sejm,

even those with political views differing widely from mine, are worried by my defeats. And it seems to me that it is precisely by acting independently, on my own, that I have been a widely-heard senator—to put it this way. I consider this a success. I shall manage in the future as well.

[Zaryczny] As a political leader whose views are interpreted in many circles as extreme if not extremist?

[Romaszewski] Let us wait. We shall see whether this movement will arise at all. Only then it will be possible to begin discussing its goals, its purposes, how it will suit me, and how it has responded to my views and my stance. The point is that any eventual compromises should not be too far-reaching. Any politician has to build compromises—that is his fundamental social task. But he should not exceed the boundaries defining his identity.

[Zaryczny] Thank you for the conversation.

New Leader of Parliamentary Club Presented

93EP0005B Warsaw PRAWO I ZYCIE in Polish
No 39, 26 Sep 92 p 3

[Interview with Jan Pamula by Zdzislaw Zaryczny; place and date not given: "A Man Beholden to No One"]

[Text] [Zaryczny] As of 16 September the Parliamentary Club of the Liberal-Democratic Congress [KLD] has new leaders. How this change was made is being described in the Sejm lobbies as nothing other than a "coup d'etat"....

[Pamula] There was no "coup d'etat." For several months we had been discussing the need to reform the work of the club. We talked and suggested certain solutions, and nothing happened. So we submitted a special letter to the club's board of officers demanding that debates be held on the subject of our internal affairs and that elections be held to elect new leaders. You know what happened after that.

[Zaryczny] I do not know, who are these "we"?

[Pamula] The letter to the board of officers was signed by over 20 members, including Lech Mazewski, Wojciech Wardacki, Zbigniew Kosla, Waldemar Pelc, Jaroslaw Ulatowski, Eugenius Aleksandrowicz and Andrzej Raj. These are people not just from southern Poland, as some alleged, but also from Gdansk and Warsaw.

[Zaryczny] Rumor has it that Donald Tusk also signed the letter.

[Pamula] Yes, that is true.

[Zaryczny] On whose side is he now?

[Pamula] I hope that there will no longer be any "sides" in our club. I would not want that.

[Zaryczny] After all, Tusk ran against you in the elections.

[Pamula] At first he dropped his candidacy, but after a break during which the leadership of the party met, he changed his mind and decided to run. The vote was 17 to 16—in my favor.

[Zaryczny] But there were too many strange goings-on at this time. For example, Deputy Dariusz Kolodziejczyk (also known as the defender of Monika Kernowna) publicly complained that J.K. Bielecki threatened to sic the Office of State Protection on him. The ostentatiously quick takeover of the club's treasury also caused consternation. It finally came down to the fact that certain deputies felt that they were persona non grata in their own club and looked for someplace else to hold their talks.

[Pamula] Deputy Kolodziejczyk's complaint did not pertain to the threats or talks that took place during the club's meetings, therefore it is hard for me to say anything in this matter. Insofar as the treasury is concerned, my vice president, Deputy Wardacki, took it over. But he did not do anything that would exceeds the bounds of normal procedure in similar cases. And how this is described is another matter entirely.

[Zaryczny] You talked with your predecessor and leader of the Congress, J.K. Bielecki?

[Pamula] Yes, we met last Saturday, just the two of us, for over two hours. Krzysztof had already wanted to talk to me on Friday, right after he came back from abroad, but I was very busy. I conducted the first "familiarization" round of consultations with Professor Bronislaw Geremek, with the leaders of Center Accord [PC], including Jaroslaw Kaczynski. They gave me a 13-point communique containing proposals on joining the government coalition.

[Zaryczny] Who asked the most questions during this conversation, you or Bielecki?

[Pamula] The conversation did not consist of questions and answers, but explained certain matters.

[Zaryczny] Can you confirm the fact that there are differences of opinion among the leaders of the congress as to the actions of Lech Mazewski's group and as to the reactions to the charges made against Minister Janusz Lewandowski?

[Pamula] Krzysztof Bielecki and I discussed these subjects also. Insofar as Janusz Lewandowski is concerned, we both believe that the minister is very well equipped for his job and his possible dismissal would be an enormous loss not only for KLD but also for the government and the processes of privatization in Poland. He not only presented an interesting concept of universal privatization, he is implementing it. Anyway, the club's position on Janusz Lewandowski was best revealed during the voting on the motion made by the Confederation for an Independent Poland [KPN]—we voted unanimously against it. In such situations we should not do what Lech Mazewski did—criticize our colleague.

[Zaryczny] Will Mazewski leave the KLD club?

[Pamula] I do not think so. After the talks that I had in the last few days it seems to me that the problem of "leaving" the club does not exist.

[Zaryczny] That sounds optimistic but the statements of some of the politicians in the congress give the impression that the club is still in a state of upheaval and the conflict is far from being resolved. What is this dispute really about?

[Pamula] If our colleagues, those who until now were the leaders of the club, put the good of the congress above all else, there should no insinuations. No one will leave, and even if the still rather strained situation remains, we can calmly and coolly explain all issues among ourselves. Of course, I have observed that some politicians are making all kinds of attempts to break up the congress and "co-opt" our deputies to other, already existing or newly formed, groupings.

[Zaryczny] The political confusion among the liberals has caused a real panic in the circles of the seven-party government coalition. There are even those who interpreted the changes in the club as the KLD's leaving the coalition and beginning a flirtation with PC, and maybe even with Jan Olszewski's Christian-Democrats.

[Pamula] Those speculations were pulled out of thin air. Nothing in our position has changed—we are still members of the government coalition and still support Ms. Suchocka's cabinet.

[Zaryczny] One more aspect of the recent changes in the KLD club caused a wave of conjecture—probably the largest. That the leadership of the parliamentary representation of a party that traces its roots to "Solidarity," has been taken over by a person from the "old deals"....

[Pamula] I do not deny at all that I was in the Democratic Party [SD]. I was a member because I am a Catholic and did not want anyone checking up on whether I was going to church. I also said that the economy comes first. I joined the KLD along with Tadeusz Bienia's Liberal-Democratic faction (by the way, he recently left the congress). I was pleased to find that I met people here who, as a rule, were well-schooled in economics, and many of them were working for themselves. Today this is probably the only party of pragmatists in Poland. The liberals primarily evaluate people, and not just their beliefs.

Klaus's View of Political Priorities Challenged

92CH0896A Warsaw LAD in Polish 23 Aug 92 p 8

[Commentary by Szczepan Zaryn: "History Repeats Itself: Klaus's Work"]

[Text] Within the framework of LAD's three weekly questions, Professor Bender recently shared his opinion on the effects of the Czechoslovak breakup. Apart from the expected negative effects of this event, the professor

pointed out the positive prospects for Poland. According to the professor and senator of the Christian-National Union, "...Poland, being a larger country in terms of territory and population, is becoming an even more attractive neighbor to the Czechs, and especially to the Slovaks. She is needed to a greater extent than before. This equally concerns political affairs, mutual security, and the economy." That sounds optimistic, and, obviously, it is possible to say in jest that optimism was always a great trump card of Professor Bender. However, the matter is significantly more serious. Although such optimism is not precluded, it is worth thinking about a possible scenario drawn in darker colors. And it is worth it, because this is a matter of politics, mutual security, and the economy.

The breakup of the Czechs' and Slovaks' state is associated, as is known, with the painful collapse and moderate successes of the newly created order in Central Europe. The most spectacular example of it was the so-called Wyszebradzki Troika. Thanks to this agreement, we, along with Hungary and Czechoslovakia, were to act on behalf of integration with all of Europe. For the present, it seems that the victor in the Czech elections, Vaclav Klaus, who today determines the policy of that nation, is a declared opponent of the troika. He defines very precisely his opposition, which, after all, was announced long ago on the road of diplomatic allusions. According to him, it is unacceptable for the Czechs to have to coordinate the paths and stages of entrance to the European Community. Therefore, we may assume that the disagreement affects the basic issue, and any joint action within the troika framework is precluded. In other words, the Czechs intend to reach the Community by another path than that of Poland and Hungary. Before we answer the question of what path that is, let us turn our attention to a certain all-European aspect of the issue. Well, the idea of the Wyszebradzki Troika met the expectation of only part of the Western European politicians; namely, those who thought that Central Europe, free of Soviet domination, needs a joint strategy for seeking its own place in the new European order. Solo races toward the European Common Market were not considered in this idea, not only on account of the future of Czechoslovakia, Poland, and Hungary, but also due to the perspectives of the European Common Market itself.

What, then, did the solitary race of our nations toward the West signify? Briefly, we would have entered Europe not through Brussels, but through Bonn. And so, for some Western politicians, that would signify a special role for Germany, and the reminder that solitary German sorties to the East do not presage anything good. The entire strategy that lay at the foundation of the European Community was based on this single, most important issue: it was necessary to bind the Germans with the West, so that they did not repeat their solitary sorties to the East.

And here it is fitting that we return to the work undertaken by Vaclav Klaus. Questioning the Wyszebradzki

Troika, he plans to take a shortcut to Europe. It is easy to see that the shortcut runs through Bonn, and perhaps Mr. Klaus has sympathetic interlocutors in this place, who do not avoid making promises. We hope that this Czech shortcut to Bonn will not lead through Munich.... Even if someone rashly admits that it is not our problem. Rashly, since each change in the Czechs' relations with their neighbors affects us in an obvious way, and in such a way that the failures of the Czechs in their European policies traditionally bring our nations closer. Therefore, the situation foreseen by Professor Bender may take place: Poland is becoming an especially attractive neighbor in the area of security. But will this not happen at too great, too risky a price?

One important argument may be counterpoised to the above remarks. Well, the Czechs meant well, and did not at all intend the breakup of their nation; the fault lies with the Slovaks, who suddenly got the idea about independence. This type of reasoning, which is worth noting, was dominant in European as well as Polish commentaries. However, it is fitting to state here that the incomplete argument is based on an analysis of the factual state. Paradoxically, we must return to the accomplishments of Vaclav Klaus—the earlier, although not distant ones, when he was minister of finance of the newly independent Czechoslovakia. In this office, he made a drastic economic reform, the results of which were based on the deepening economic differences between the two parts of the nation. Slovakia paid a high price for the reform. And it is not a matter of searching for an answer, if such was the intention of the policies in force. What counts is the outcome, the effect, and, in particular, the simple and logical consequence, which is the Slovakian pressure for independence. If, in the framework of the Federation, the interests of the Slovaks were not protected in accordance with their expectations, it is completely natural for them to start planning to seek their own paths and their own solutions. And so, in these actions, did they go significantly beyond the expectation of their neighbors and the planners of European unity? But, planning a problem-free course of historical events does not always succeed. What will happen next? Will events proceed according to their fears, which, for example, were expressed by the chairman of the Union of Slovakian Soldiers when he affirmed in May that they must create a strong Slovakian army that is capable of "responding to the situation in the Carpathian Mountains and in the Balkans."

However, perhaps we will return to Professor Bender's optimistic version. This time, we will interpret it not as a prediction of the development of events among our southern neighbors, but as a sure proposal. Well, according to this, in order to become an attractive political, military, and economic partner, it is not enough to fulfill the role of observer of the unfolding events. It is necessary to work for this position, enhanced by activity in very different fields. Does our foreign policy indicate this activity? For the present, it appears to be concentrated on the profound analysis of the results of several years of work undertaken by Vaclav Klaus.

Changes in Distribution of Forces Viewed

93EP0008a Warsaw POLSKA ZBROJNA in Polish
23 Sep 92 p 4

[Article by Stanislaw Lukaszewski: "What Has Happened With the Krakow Military District?"]

[Text] Restructuring of the army is more than just reducing its size. It also includes the reevaluation of priorities. A coalition army will become a fully national army. Instead of being the second echelon in an offensive, it will be truly defensive. While being defensive, however, it cannot exclude offensive operations because one cannot defend oneself only through a passive defense.... These are all contingencies in case of an emergency. But what is happening in the army today?

The army is undergoing a slow process of modernization. It is a slow process because there is a shortage of funds. The modernization consists first of all of the depolitization of the army. Big money is not needed to accomplish that. Civilian democratic structures are being established. Two vertical structures are taking shape—the civilian-military and the civilian. Having related to the tradition of the Second Republic, we are in the process of restoring the post of the general inspector of the armed forces, who would become the commander in chief in case of war (it will probably be accomplished soon).

The General Staff of the WP [Polish Army] is considering a merger with the Main Combat Training Directorate of the WP. In our opinion, the latter should be one of the General Staff's directorates. Furthermore, the Main Logistics Department of the WP and the Main Technical Inspectorate of the WP look like candidates for a perfect marriage. Logistics would include all tasks related to providing supplies, equipment, and material.

Besides, the military training system will probably be integrated at last. Really, we do not need 11 military academies. The problem is what to do with the staff and the barracks in all those schools. But that is yet another puzzle to solve. Perhaps the Military Medical Academy should be smaller, while the Military Technical Academy ought to take the military research and development institutes under its auspices.

The integration of armor and the mechanized infantry would result in organizational changes far beyond tactical units. Similarly, the Air Force and the Air Defense Troops [WLiOP] will alter the posture of the Anti-Aircraft Defense Troops [WOPL]. We have seen the first harbingers of change in that field—some WOPL forces have been subordinated to WLiOP.

Undoubtedly, many positions in the central offices of the MON [Ministry of National Defense] will be eliminated. The staffs of many directorates—departments and sections in these institutions—have been already reduced by 30 percent. Ministry of Defense Support Units have already been reduced and will be further trimmed down.

In this way, while some units are scaled down, others are strengthened. The repositioning of the army is supposed to be accomplished in such a way that 30 percent of troops will be stationed in the eastern parts of Poland while 45 percent will be deployed in its western regions. The rest of the army will be stationed in the central, northern and southern Poland. Until now, the majority of the armed forces has been located on the western border. As a result of these conceptual changes, a major operation of establishing the Krakow Military District has been under way. In addition, units stationed in the Elblag and Olsztyn voivodships have been subordinated to the Warsaw Military District.

The authors of the army reforms suggest that divisions should be substituted by more mobile brigades. There is also a feasible plan to establish the fast response forces. Furthermore, the Vistula Troops have accepted the president's idea to be transformed into the National Guard.

It is also certain that the idea of territorial defense—neglected so far—will be taken into account. These troops—the so-called home guard—should defend their native villages, gminas, and/or towns. Therefore, there has been some discussion about establishing the improvised territorial defense regiments that would support the regular troops in case of an emergency. Thus, every adult citizen would defend his neighborhood. There are plenty of experiences to draw from (Switzerland, for example). While working on our own, national defensive doctrine, we ought to take into account the achievements of other nations.

The Krakow Military District should play a significant role in the reformed Polish army. We are facing a qualitatively new situation. The number of our neighbors has increased. Although we do not have enemies, we have partners. If we want to be an equal partner, however, we cannot be weak. The Polish national interest and the Polish *raison d'état* demand this. Hence, the country's division into four military districts. Having decided to establish a new district, we are increasing the level of the military deployment in Krakow, Rzeszow, Lublin, Przemysl, Zamosc and Tarnobrzeg. But this region includes also Chelm, Hrubieszow, Jaroslaw, Ustrzyki, Rymanow, Wlodawa, etc. Where would we get the money to enlarge barracks or build new ones? Where are the commissioned officers supposed to live? Where would the military equipment come from? The redeployment of military units (if they were to be moved from Szczecin or Zagan to Jaroslaw and Wlodawa) is expensive, and as such has to be gradual. But we have neither time (the clock is ticking) nor money.

It has happened that the organizing of the Krakow Military District begun with the personnel matters. First, posts were established, then officers were appointed to them. Gradually, we have learned who has been appointed to various high posts in the so-called Organizational and Preparatory Task Force of the Krakow Military District. Brigadier General Zenon Bryk has

been getting more and more subordinates. We have learned the names of the deputy commanders and the chiefs of the branches of the armed forces. Our paper has profiled Colonel Brunon Herrmann, commander of the Lublin division, and Colonel Piotr Makarewicz, commander of the Rzeszow division. However, we have the impression that while the commanders and the chiefs of the branches of the armed forces were in place, the troops as such were missing.

Let us digress here. One can begin establishing a new unit by putting together its command and furnishing its offices nicely. The staff may be in place, but the intended unit is not. In other words, there are two methods of creating a new organization—first the brass and then the grunts, or vice versa.

In the case of the Krakow Military District, it is the command centers and staffs that have been established first. They are ready to take command over the troops. But it has just happened that the money has run out at this point. Therefore, perhaps it would have been better if the military units had been established (deployed) first, for example in Wlodawa, Chelm, or Jaroslaw. This is just a journalist's comment. Unfortunately, whenever we ask what has happened with the Krakow Military District, we hear the same answer—there is no money.

The troops should be deployed evenly in our country, the troops themselves that is, not just their commanders. The restructuring of the army has even increased that disproportional deployment. Reform is supposed to cure this problem now. However, this reform is nowhere to be seen on the territory of the South-East Poland so far. The birth of the Krakow Military District is taking too long.

KPN Faults Lewandowski for Privatization Woes

92EP0673C Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 5-6 Sep 92 p I

[Article by Mariusz Pawlowski: "The KPN Versus Lewandowski"]

[Text] The Political Council of the KPN [Confederation for an Independent Poland] has required the Caucus of Parliamentary KPN Deputies to offer a motion for the dismissal of Janusz Lewandowski from the post of minister of privatization and to accuse him of neglecting the interests of the Treasury before the Tribunal of State. This happened following the disclosure of a NIK [Supreme Chamber of Control] audit of the implementation of that ministry's budget in 1991. In response, Minister Lewandowski asked to meet with the KPN caucus so as to have a chance to respond to these accusations.

The accusations of the KPN, based on the findings of the NIK, concerned the absence of proper accounting and bookkeeping at the Ministry of Privatization, the failure to keep records of transactions, improper legal servicing, as manifested in, among other things, the hiring of

outside consultants for work relating to the operations of the ministry's Legal Department, and improper cooperation with consulting companies in the sense of overpaying them for their services, and failure to failing to monitor the execution of contracts. Reservations were also elicited by the criterions followed in selecting advisers. The protection of the proprietorial interests of the Treasury was criticized as inadequate, since its representatives in the supervising councils of companies were not selected on the basis of clear criteria, and moreover they were not made accountable for their activities and took part, despite the legal prohibition, in the councils of parliamentarians. Lastly, the KPN mentioned (in addition to the NIK's findings) the reprehensible lack of monitoring of the operations of companies with foreign capital—this concerns episodic but uncontrolled purchases of Polish real estate by these companies. Summing up, in the KPN's opinion, the activities of the ministry have resulted in irregularities and led to the decline of the social acceptance of privatization.

In rebuttal, Minister Janusz Lewandowski contended that the KPN is a grouping that is generally opposed to privatization, as demonstrated if not by words then certainly by facts. The reason is that the KPN's base of political support is the employees of the state sector, who for the most part are dissatisfied with the government's performance but, once the transition to private enterprises is made, they lose interest in that party (a similar opinion was voiced by Deputy Prime Minister Henryk Goryszewski, who interpreted the presence of the KPN at all the major strikes as an action designed to win over political sympathizers).

While admitting many imperfections in his ministry's performance last year, Minister Lewandowski blamed them on the lack of experience and the implementation of measures atypical for a government agency. First, in 1991 the ministry had to be organized. This required recruitment, training, and selection—all operations producing no income and costly to the state. The attendant structural changes were inevitable, as were substantive mistakes. Secondly, the ministry had to work out a concept of privatization. In this respect it did its job at a record pace compared with the conceptual work proceeding at other government agencies. At the time, indispensable sector studies providing the foundation for detailed appraisals consumed the most funds. That was a costly operation, even though in the first stage these funds derived from foreign grants. Thirdly, during the sales of enterprises it did not prove possible to attain a direct relationship between expert appraisals and market prices. Allowance then was also made for the social services for employees and the future of the enterprise (hence the value of pledged contractual investments often exceeded the sales price).

Responding to detailed accusations concerning the poor design of the mass privatization program, favoritism in staffing the supervising councils with KLD [Liberal-Democratic Congress] members, or unjustified purchases of expensive furniture for the ministry's offices,

Minister Lewandowski declared that the simplest solution would be to "bestow unbacked checks on the public" but that would have nothing in common with the distribution of national property.

It is worth noting that the annual report of the Ministry of Privatization on the execution of its budget in 1991 has not been adopted by the Sejm's Committee for Privatization.

Views on Systematic Restructuring, Reforms

92EP0678A Warsaw RZECZPOSPOLITA in Polish
14 Sep 92 p 3

[Article by Jerzy Eysmontt and Andrzej Urbanski, members of Center Accord: "The Next Three Years"]

[Text] The map of threats to Poland is changing. Typical dangers emanating from system changes are accompanied by new threats. More acute is the crisis of public confidence—in the competence of democratic institutions and, most of all, in the principles and goals of ongoing economic reforms. Both public behavior and programmed elections of the political elite are being radicalized. None of the political circles emanating from Solidarity is in a position to bear the burden of making any kind of independent decisions. Despite this, the will to compromise and cooperate continues to remain subordinate to tactics of stressing differences and autonomy.

All of this is occurring in a situation in which macroeconomic indicators are telling us that the most difficult time of the economy's adjustment to new rules of the game are behind us. This time, whether these tendencies will be reinforced or if they will dissipate, depends on the competence and will of the politicians. A shield for the reforms can be provided by: a strong, stable coalition of the majority in the parliament; the creation of system improvements for those social groups for which the reform can secure conditions of positive self-realization; protection for certain groups to which the reform presents an extreme threat to existence; finally, by the creation of effective instruments of government.

From the beginning of its existence, the Center Accord reinforced modernistic trends, stressing at the same time that threats to the reforms are so fundamental that they require radical, decisive means and methods of frustrating these threats. This program, however, has never received adequate public support. For this reason, it has become necessary now to adapt it to the requirements of coalition cooperation. Obviously, this programmed reduction will not eliminate the temptations of the "luxury of opposition," which actually has a right, but does not have significant instruments for realizing this right.

In another stage of system reform—namely, the transition from a socialist economy to a free-market economy—the basic goal is radical privatization of state property. The dispute, which is not always called that, is based on limiting access of various social groups to the

enfranchised property. Privatization cannot be just a technocratic, administrative solicitation, but should become a great public process. For this reason, privatization should be done quickly: Within no more than three years, half the production potential must have a specific owner.

Ownership transformation must be carried out with respect for economic rationality in which the right of making a decision is linked to the size of capital committed by the specific entities. This pertains to all forms of reorganization, although it does not exclude principles of support (extending credit) by the state to labor or citizen stock companies.

In state structures, there should be a separation of institutionally-made decisions of the owner (State Treasury) from departments involved in specific reorganization processes and in supervising these processes. This condition is indispensable for freeing these processes from threats of corruption.

Supporters of privatization did not reach a position in the elections that would make realizing their own program possible. Therefore, compromises with all allies of this program are necessary. Those who oppose the program also find themselves among the postcommunist left, in the social-democratic stream as well as on the radical right, paying close attention to the populist mood of the public.

Property changes must be accompanied by changes in the administrative structure of the state and the legal system regulating this process. The legal formation of the institution of the State Treasury and the establishment of a Ministry of the Treasury is necessary; this would make possible a clear delimitation of the competency and responsibility between budget management (the finance minister) and management of all state property (primarily production). By way of supervision, the Ministry of the Treasury would be responsible for the broadly understood processes of privatization.

At the same time, also necessary is the establishment of a single Ministry of the Economy which would concentrate its competency in the area of designing a program of economic strategy and coordinating the activities of assisting development and restructuring in all sectors on a Statewide scale. (A proposal for a three-year strategy is contained in the document, "Directions of the Social-Economic Policy to 1994.")

Since privatization from the system point of view is the most important factor in structural changes, rapid changes in the branch structure of the economy are also indispensable, particularly in state heavy industry enterprises. It is universally recognized that radical reduction in energy consumption and material consumption in production, attaining at least average world standards, is a necessary condition for assuming an advantageous position in the European economy in which we intend to be gradually integrated.

During the next three to five years, initiative and assistance on the part of the state must play a more substantial role than is usual in mature market economies. On the other hand, we must avoid the temptation to return to "hands-on steering" even in difficult situations, of which there will probably be no lack. A timely establishment of a Ministry of the Economy, definitively terminating the era of a department-branch Poland, merging and reducing the still divided competencies of so-called founding organs with respect to the state sector, will promote an effective and uniform economic policy free of excessive attention to detail and of entanglement in the interests of various branch lobbies that still exist.

Another real task is the reorganization of the structure of the government itself: Liquidation of internal occlusions and making more prominent the role of the premier, the presidium of the government, and the deputy prime ministers. The first step in this direction is the liquidation of the artificial Office of the Council of Ministers by establishing a Ministry of Public Administration, which would manage the work of voivodship administration and of the most important public services, including the police.

The police ministry, which is the present Ministry of Internal Affairs, should be liquidated. The role of the police as an institution protecting citizens from all threats should be increased. Especially now, in a situation of radical increase in threats to citizens' safety, the government should take more decisive action. The need for organizing a special institution for combatting organized crime should be considered, as well as temporarily intensifying legal sanctions. Civil rights must not protect those who transgress against the health and well-being of ordinary people.

The next element in the reforms we are writing about, is the question of change in the functioning of public television and radio. Public means of transmission should support the reforms in a manner that is most appropriate to them: through programs of civic education and criticism of all irregularities that appear. Equally essential is the depoliticizing of state-owned media and the creation of conditions for competition to flourish.

The tasks we are writing about are in the nature of long-term processes. Essential, however, is the will to undertake these tasks now. Just as essential is the will to move Poland "toward the West" through integration with European political, economic and military structures. In this matter, which is most critical for Poland, principles of realizing national interest, common for political groups which differ widely, should prevail. Both foreign policy and the question of national safety must be subject to the principle of consensus.

The Center Accord [PC] can strengthen the coalition and the government of Prime Minister Suchocka. For this reason, any attempts to weaken the PC do not serve the process of strengthening the government. Perhaps a

condemned PC would become the strongest element in a growing opposition, an opposition whose relation to economic reforms, it is understood, would evolve together with public attitudes.

The minimum program we are writing about may also be a fragment of the necessary integration of the center right in Poland. The center right, which at present still does not exist in a formal sense, has the opportunity on the political stage to capture a very extensive block of supporters of democratic reforms (reinforcing parliamentarism) and procapitalist reforms. These supporters are in various groups and we trust that they, and not their polemicists, will cause their historical and tactical disagreements to be laid aside in favor of the most important matter: the success of Polish reforms.

Clearer Rules on Enterprise Liquidation Prepared

*92EP0687C Warsaw RZECZPOSPOLITA in Polish
8 Sep 92 p I*

[Article by Mariusz Pawlowski: "The Liquidation Mode: Draft Order of the Council of Ministers"]

[Text] Liquidations of enterprises have so far afforded room for many abuses, as found by the NIK [Supreme Chamber of Control] audits, both from the formal-legal and the financial standpoints. Liquidators appointed by nearly 60 different parent agencies (including 49 voivodes) have, owing to laxity of interpretation of the related procedures, brought about, as the NIK put it, "dangerous violations of interests of the Treasury" owing to the lack of specific legal regulations defining the operating procedures needed. To counter this, the Council of Ministers has drafted an executive order regulating the rules for the liquidation of state enterprises, which has been positively evaluated by the Council's Economic Committee.

The principal regulations introduced in that order include an explicit separation of the procedure for liquidating state enterprises (pursuant to the Law on State Enterprises) from the liquidation procedure employed to sell them (pursuant to the Law on the Privatization of State Enterprises). For this is linked to the issue of meeting or securing the claims of creditors, for which the buyer and not the Treasury is responsible if the liquidation is based on the Privatization Law. In contrast, under the Law on State Enterprises, the fate of the liquidated assets is linked to the requirement of securing the claims of creditors and the Treasury.

An innovation compared with the existing practice is the requirement that both physical persons and legal entities may be liquidators—whereas previously only physical persons were qualified—provided that they do not intend to purchase the assets of the liquidated enterprise, become members of its management, or own shares in the companies acquiring these assets. What is more, henceforth the liquidator is to be required, under the penalty of invalidation—unless the parent agency decides otherwise—to refrain from activities intended to

sell the assets if the potential buyer of these assets is his spouse or twice-removed kin or another person to whom the liquidator is linked. The absence of this constraint in the past has been causing losses to the Treasury, because sometimes liquidators have been deliberately acting to the disadvantage of the enterprise.

In addition, the new order defines more precisely the duties of the liquidator. They include: the preparation of a financial plan for offsetting the operating costs of the enterprise during its liquidation, the calculation of the costs of the liquidation itself, the provision of periodic reports to the parent agency, the ordering of the legal status, the execution of accounts receivable and payable, and the sale of assets. The scope of the powers and duties of the liquidator makes him essentially responsible for the entire process and effects of the liquidation.

Also noteworthy is the provision allowing for the possibility of leasing enterprise assets so that the income thus derived would augment the market value of the company being liquidated. The corresponding agreements are valid only until the liquidation is completed. Another means of relief is the provision allowing gratis transfer of real estate to a local government, but only after all the claims of creditors are secured. Indicating such possibilities prevents the decay of enterprises during the usually gradual reduction in their operations and shrinking of income as a result of the same payment obligations.

Liquidation may be called off solely by the parent agency if, on the basis of an expertise or the recommendation of the board of receivers, it finds that there are solid grounds for continued existence of the enterprise, or that there is no economic rationale for a change in the mode of its ownership. The Budget Law may provide other grounds for revoking the decision to turn the enterprise into a nonstate company.

To assure the monitoring of the privatization and liquidation of state enterprises, the draft executive order introduces the obligation of reporting to the minister of privatization on the completion of liquidation and the manner in which the assets were disposed of. All the related costs are borne by the enterprise.

By 30 June of this year, liquidation proceedings with the object of privatizing—culminating in deletion from the registry of state enterprises—were carried out at 271 companies; liquidations due to poor economic performance were carried out at 78 enterprises.

Companion Regulations to Enterprise Pact Proposed

92EP0674A Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 10 Sep 92 p I

[Article by A.W.: "Playing With the Cards on the Table: The Pact on Enterprises"]

[Text] Minister Jan Krzysztof Bielecki called the government proposal for state enterprises "playing with your

cards on the table." The government presidium presented a specific plan for putting the pact into action. The enterprises are to have time until the end of 1992 to choose and define their plan for their own privatization. The process of privatization itself is to be facilitated and accelerated. The government hopes that the new formula, which assumes broader participation by the workers in the ownership transformations, will activate society.

Union Participation in Negotiations

Minister Jacek Kuron emphasized the significance of the openness of the government to negotiations with the workers. The government, however—as Prime Minister Suchocka said—will base itself on "hard economic realities," and those realities will determine the possibilities of concessions. In the opinion of the minister, the liberalized principles for making the assets of the enterprises available to the workers and the guarantee of 30-percent membership for the workers on the supervisory bodies create favorable conditions for rapid changes. Talks will be conducted with representatives of the workers or with the trade unions active within a plant (the government has recognized the jurisdiction of all 15 registered main union offices).

Enterprise Debt Reduction

From the point of view of the Ministry of Finance, what is most important is how to implement the program for reducing enterprise debt outlined in the pact. Those firms that present a program for restructuring will be able to count on a rescheduling of the payments on a part of their debts after the acceptance of the program. The banks, on the other hand, will be able to exchange a part of their debtors' debts for stock or part ownership in the firms. Prior to beginning negotiations with the bank, a state enterprise will have to gain the agreement of the Ministry for Privatization to a transformation into a single-person partnership of the State Treasury. That in turn must be accepted by the creditors claiming a right to no less than 50 percent of the debts.

The debts to the State Treasury are to be treated in the same way, as those to banks. The mutual debts of enterprises are to be liquidated by public buying and selling of the debt.

More Stock, Less Taxes

A second solution in the pact concerns changes in the law on income taxes from the population. The reason for reducing this tax is to encourage people to buy stock. A part of the income that is earmarked for this purpose will be excluded from the basis for taxation.

Proposals to limit the tax on excess wage increases and dividends, in the opinion of Minister Osiatynski, are fairly risky, but it is essential to abandon the formula under which the budget deals exclusively with fictional incomes. The tendency to raise wages at the cost of

profits must be controlled so as to prevent "overconsumption." The increase of production must occur by, among other ways, increasing the funds available for investment that will permit the reduction of the dividends—a typical tax on assets.

Work and Wages

According to the Minister of Industry and Trade, the plans for the state industrial policy developed during the summer by the ministry must be "overlaid" on the pact for enterprises. The government's privatization proposals do not apply, however, to firms that are covered by the program of general privatization, to the plants in the energy and fuels industries, or to the firms that handle the operation of transportation and communications. Simultaneously, the pact regulates financial claims of workers of bankrupt firms that would go into the fund for workers' guaranteed benefits. The fund would be formed from obligatory contributions by all employers conducting economic activity, and the funds would be forwarded to the Social Security Agency.

Easier Privatization

Privatization as the basis of the pact must include participation by the workers. The pact also calls for including individual farmers and fishermen (10-percent ownership) who supply raw materials as part-owners of the privatized plants. Eased terms of leasing that bring about more rapid achievement of the status of de facto ownership of the enterprise are an essential part of the proposal.

A system of installment payments and partial payments for part-ownership in the enterprise are to aid this process. The pact also calls for a solution to the problems of estimating the value of the assets of enterprises by resigning in many cases from expensive consulting services. They are to be replaced by a system of "automatic" estimates developed by the Ministry of Finance that are to be based on, among other things, the annual financial performance of the plant.

Help for the Weak

"For the enterprises, the pact is a concrete solution of the problem," says Minister Jan Krzysztof Bielecki. It is also a chance for those firms who want to privatize themselves but are in financial difficulty. As a model, the minister cited the example of the Szczecin shipyard, which after more than a year of trying was able to reach agreement with its creditors in spite of its debts of more than 2 trillion zlotys. Thus, in the pact, the government offered those firms who have lost liquidity an opportunity to choose their own path to privatization. There are four possible variants: by sale to a domestic or foreign investor; by sales of stock at public auction; by transferring a controlling interest to a trusteeship; or by purchase by a board or the workers. Regardless of the type finally chosen, the workers of an enterprise will receive 10 percent ownership in the firm at no cost.

Together with the most important plans of the pact on enterprises, the government presented 10 proposed laws and other legal acts necessary to regulate the implementation of the pact.

Sejm Committee on Integrated Circuit Patents
92EP0687D Warsaw RZECZPOSPOLITA in Polish
9 Sep 92 p II

[Article by Krystyna Forowicz: "Crime Does Not Pay: The Sejm and the New Model of Inventions"]

[Text] "Inside the IBM computer only one computer chip has patent-reservation protection, but it is the most important chip, and makes the computer precisely what it is. The attendant measurable financial advantages to IBM are enormous. That is why extending legal protection to the topology of computer chips in this country has, as in many other countries, acquired the importance and necessity of a law," said representatives of the Patent Office of the Republic of Poland at the joint session of the Sejm Committees on Education, Science, and Technological Progress and on Legislation, held on 8 September. The issue of the pertinence of introducing this kind of protection in Poland had been considered before Tadeusz Mazowiecki traveled to the United States and signed an understanding on a trade and economic treaty with the United States, according to Dr. Wieslaw Kotarba, chairman of the Patent Office. The first draft of the law on the protection of computer chips was prepared in 1989.

The standards for the protection of the topology of computer chips as defined in the abovementioned treaty correspond not only to the solutions adopted in the United States. That is because the same rules underlie the laws adopted in the countries of the European Community (pursuant to the 1986 directive of the EC Council).

The protection of the topology of computer chips, though initiated in the 1980's, is at present accepted in the United States, Japan, nearly every EC country, and Sweden, Austria, and Australia. Countries that do not adopt such legal protection cannot benefit from protection in other countries (here the reciprocity principle operates).

In the light of the new law, the topology of computer chips would be protected by registration at the Patent Office. This would apply only to topologies considered original.

The interested parties spoke out in favor of the necessity of introducing such protection, which is intended to provide and facilitate the conditions for the transfer, from highly industrialized countries, of modern technologies without which domestic industry would be unable to keep abreast of world progress. Thus, introducing the protection of computer chips should be viewed, like the other provisions of the Polish-American treaty, in the broad light of laying the foundations for a modern

industry in Poland, according to the deputies. They stressed that we are lagging far behind in implementing the timetable of objectives ensuing from the concluded treaty.

The deputies also accepted the report of the Special Committee on the Government Draft Law on Patent Attorneys. That law defines the rights and obligations of such attorneys. A patent attorney is to provide assistance in matters concerning industrial ownership, e.g., by drafting notices on products subject to protection, as well as drafting agreements on the protection of industrial property. He may participate in negotiations with domestic and foreign clients.

In addition, the deputies discussed a draft law on amending the law on inventions. So far there has been no patent protection in Poland for certain chemicals, pharmaceuticals, foods, and computer software. In adapting our laws to EC standards, as well as to the provisions of the Polish-American treaty, we must stop making imitations of products protected by foreign patents.

World Bank Plan for Coal Industry Restructuring
92EP0672A Warsaw GAZETA PRZEMYSLOWA I
HANDLOWA in Polish No 37, 13-20 Sep 92

[Article by D.A.R.: "The World Bank and Coal Industry Restructuring"]

[Text] The Polish coal industry has had for decades been operating in isolation from the laws of economics, and the structure of coal industry was adapted exclusively to so-called planned quantitative effects. As a consequence, many mines have found themselves in a difficult if not tragic situation. But the real drama started only two years ago, when coal industry lost 900 billion zlotys [Z] in 1990 (Z3.8 trillion last year; data not available for this year). More than 4 million metric tons of coal, which no one wants to buy, have piled up in the mine storage areas, and the electrical power plant are glutted with coal reserves aggregating 6.5 million tons. Among other things, this is due to the delay—as claimed by PAWK [State Black Coal Agency] experts—in abolishing export ceilings (9 July), which resulted in forfeiting the opportunities for signing longterm contracts.

The coal industry needs a rescue program; mines need restructuring and debt relief. The situation requires rapid decisions and unpopular but necessary solutions, and it looks like they will be taken in the very near future, according to Janusz Steinhoff, the chairman of the Higher Mining Office.

A couple of weeks ago, in the presence of the World Bank's representative in Poland Ian Hume, talks between government and employer representatives and the representatives of all coal industry trade union federations commenced. The main assumptions of a longrange solution of coal industry problems were presented.

The restructuring program concerns primarily black coal mines. Its main premises are as follows:

- A change in the status of mines from state enterprises to one-person Treasury companies. The governing boards of these companies are to pursue the state's energy policy. Supervision over them will be exercised by supervising councils with 30 percent of membership to be workforce representatives.
- A new organization of the coal industry, that is, the formation of from eight to 10 groups of mines linked by ties of capital, which will make possible pursuing common policies, including a common export policy.
- Expansion of the scope and range of activities of the State Black Coal Agency, whose purposes will include coordination of the whole of matters relating to coal distribution. With respect to mines, it is to be endowed with the powers of a general meeting.
- Agreements on financial principles and coal sales (the basis of these agreements is, according to Deputy Minister Andrzej Lipko, the settlement of mutual accounts payable and receivable among mines and power stations and other coal recipients).

The questions asked by the trade unionists of Ian Hume, the World Bank representative in Poland, were chiefly focused on the extent and forms of the assistance that the World Bank can provide for restructuring the mining industry, making it more efficient and competitive, and reducing environmental pollution.

"The objective of the World Bank," Ian Hume said, "is to preserve the Polish coal industry as a main branch of export-based Polish economy. That is why it has supported mobilizing the resources, including financial ones, for the coal industry in order to enable it to surmount its current difficult situation."

The World Bank can offer credits amounting to \$400 million, which could be repaid over 17 years bear an interest rate of 7-9 percent annually. In the opinion of Minister Niewiarowski, this is more than expected (initially credits amounting to \$150-200 million were being mentioned).

These funds can be used for two purposes:

- To liquidate or modernize mines, improve their productivity and competitiveness through purchases of new technologies and equipment, and reduce the effects of environmental pollution.
- For the vocational retraining of miners who were laid off.

In the World Bank's opinion, the coal industry can become one of the main branches of Polish industry on condition that it reduces extraction cost and stabilizes extraction at the level of 140 million metric tons annually.

World Bank experts have been working for more than 12 months now on a program of assistance for the Polish coal industry and on plans for its restructuring. Ian Hume said, "We are able to finalize this program within the next few months. But we must resolve certain technical details jointly with the Ministry of Industry, the Black Coal Agency, and the mines themselves." Even now, however, in his opinion, credit lines can be opened, on condition that the government presents a specific program for their utilization.

No Firm Data on CIS Barter Available

92EP0673B Warsaw RZECZPOSPOLITA in Polish
5-6 Sep 92 p I

[Article by D.W.: "The Great Unknown Factor: Barter With Russia"]

[Text] Neither the GUS [Main Statistical Administration] nor the Ministry of Foreign Economic Cooperation is able to report the value of our barter trade with Russia or with any other country emerging from the disintegration of the former Soviet Union. All that is known is the value of the official barter deals concluded with Russia on the basis of intergovernmental agreements. So-called farm products in return for crude petroleum and natural gas added up to \$130 million.

In all likelihood these transactions will be repeated next year. An additional barter deal will be concluded in late December or early January. For the time being the appropriate documents were handed to Pyotr Aven, Russian minister of foreign economic relations, during his visit to Poland. Now the Polish side is awaiting a reply from Moscow. Next year the group of commodities bartered so far will also include, from the Polish side as permanent elements, pharmaceuticals, coke, and coal. Under a deal concluded in Warsaw last August, we will provide 300,000 metric tons of potatoes and 100,000 metric tons of late varieties of apples. In return, the Russians promised to deliver natural gas.

The intergovernmental barter deals proved to be advantageous to both sides: we pay with commodities that otherwise we would probably have been unable to sell elsewhere, for crude petroleum and natural gas that we would have had to buy anyhow. The clearing of the spring-fall deal will be handled on the Polish side by the BRE [Export Development Bank] and on the Russian by the Vneshekonombank. Now that the mechanism of the clearings—which, as known, had been the cause of major misunderstandings early this year and led to a halt in shipments of raw materials from Russia—has been worked out, the deals are being concluded without any impediments. The importers on the Polish side will be the Weglokoks and Polish Petroleum Mining and Gas Industry agencies, and on the Russian side, the Agrointorg.

On the other hand, it is difficult to assess the value of the barter deals concluded by companies, mostly private ones. SAD documents do not as yet provide adequate

data. It is said that they will be made available only at year end. As we were told at the Ministry of Foreign Economic Cooperation, the value of these smaller deals accounts for 10 to 20 percent of our overall barter trade, and their number is estimated at tens of thousands, covering the most varied kinds of merchandise, i.e., "everything for everything." Still, on our side, it is foodstuffs that predominate, especially farm products, along with light-industry products. From the other side of the Bug, Polish companies most often import raw materials, but also household articles, spare parts for the equipment in Poland previously purchased there, and food. At any rate, the ministry emphasized that barter deals are an important substitute for genuine trade in times when we are in no hurry to spend foreign exchange while our partners in the East are experiencing dramatic shortage of such currencies. In many cases were it not for barter there would be no trade at all.

Delay in Currency Redenomination Explained
*92EP0671B Warsaw GAZETA BANKOWA in Polish
No 37, 13-19 Sep 92 pp 6-17*

[Interview with Hanna Gronkiewicz-Waltz, chairperson of the National Bank of Poland, by Maciej Urbaniak; place and date not given: "I Cannot Ignore Reality"]

[Text] [Urbaniak] Redenomination is nowadays less discussed than it had been several months ago. Why?

[Gronkiewicz-Waltz] The economic reality has changed so much that the entire operation has to be postponed. The earliest probable deadline, the beginning of next year, now does not seem tenable.

[Urbaniak] ?!

[Gronkiewicz-Waltz] By year end the budgetary deficit will certainly be bigger than planned, and so will inflation. But the full inflationary effects of the budgetary deficit will make themselves felt only next year. In such a situation, the redenomination of the currency, which will provide some—small, in my opinion—flationary momentum, can wait.

[Urbaniak] That momentum is not at all so certain. Were the obligation of showing prices in both old and new zlotys to apply for at least the first year of the operation, it would be difficult for retailers and producers to attribute price increases solely to the redenomination.

[Gronkiewicz-Waltz] Perhaps you are right. However, on the basis of the French experience, I believe that this should not be so. New prices alone should be binding from the very first day; similarly, budget documents for the first year the law takes effect should be prepared in accordance with the new scale. The French found maintaining double prices to be a huge psychological mistake which greatly prolonged the period of time it took people to get accustomed to the new franc.

[Urbaniak] If not starting with the new year, then when?

[Gronkiewicz-Waltz] For technical reasons, the beginning of the subsequent year, 1994, would be best. Then no one would be able to offer the excuse that two price levels apply during the same year. Everyone would have to apply only the new prices. Commencing the operation at any other time would greatly mess up accounting, statistics, and the budget.

Speaking of the budget, last June I was asked by the Ministry of Finance in what units is the budget for the next year to be computed. The documents for the Sejm could already be prepared in units of a "strong" currency, but now this is no longer topical.

[Urbaniak] People are saying that four zeros will be lopped off. In a year and half four may prove too few.

[Gronkiewicz-Waltz] We shall see, all this depends on the level of the inflation. We expect that 200 zlotys will be the bank note with the highest denomination. This has to be compared with the level of average incomes, and then we shall know how many zeros will have to be lopped off. At present it is indeed four.

[Urbaniak] The public is fearful....

[Gronkiewicz-Waltz] Quite groundlessly. I repeat ad nauseam that no one will lose by the redenomination. In practice, besides, in many stores the prices are given without the last three zeros anyhow, and this does not seem to bother anybody.

[Urbaniak] If the economic indicators for August, September, and October turn out to be much better than expected, is there a chance for the redenomination to be decreed before this year is over?

[Gronkiewicz-Waltz] In theory, yes.

[Urbaniak] Would not it be too late? How well is the NBP [National Bank of Poland] prepared?

[Gronkiewicz-Waltz] To cope with all this, the redenomination must be decreed not later than by 1 December. The project is ready. I do not think that it will meet with great resistance in the parliament. The bank notes printed should suffice for the first few days. The PWPW [State Printing Plant] will operate at full capacity to remedy shortages. That also applies to coins.

[Urbaniak] But the language of the draft decree has been criticized for being too generalized.

[Gronkiewicz-Waltz] The specifics are contained in the finished draft of an executive order of the NBP chairperson, which can be signed one day after the decree is published. That executive act will regulate all the technical questions of concern to entities operating with substantial amounts of money. This is not material for the decree. Thus, the NBP is quite ready.

[Urbaniak] Are not you regretting a lost year?

[Gronkiewicz-Waltz] I do, but I cannot ignore reality.

Approval for 1991 NBP Operations Withheld

92EP0667B Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 3 Sep 92 p I

[Article by P.J.: "Deputies Await Analysis, Monetary Policy, and Balance of Payments"]

[Text] On Wednesday at the meeting of the Sejm Economic Policy, Budget, and Finance Committee, a proposal was made that the committee not accept the report on last year's performance of the National Bank of Poland [NBP] since, in the opinion of the deputies, this report is not complete.

The committee heard reports on 1991 monetary policy, the activities of the National Bank of Poland in 1991, and operations with respect to balance of payments for 1991. Consideration of these three reports prepared by NBP is an introduction to a consideration of motions on accepting the accounting of the government for the past year. The vote on this is on the agenda for next Wednesday. The banking law stipulates that the president of NBP present to the Sejm periodic reports on the realization of the monetary policy and realization of the balance of payments, but the law did not anticipate the possibility that the Sejm might reject the reports presented.

From the report on monetary policy it follows that the basic purpose of the activity of the central bank during the past year was to stem inflation. It seems that this goal was reached to a large extent. Inflation of several hundred percent in 1990 was reduced to 70.3 percent during the past year. A significant difficulty in conducting an anti-inflation policy is the growing budget deficit, which, according to NBP estimates, was the basic factor in the increased money supply. The amount of credit for the government sector in the fourth quarter of last year exceeded the amount of credit for the economy.

It is difficult to conduct an antirecession policy simultaneously with an anti-inflation policy. Struggling against recession, the central bank changed the principles of the exchange policy and decreased the level of its interest rate. At the same time a policy was established of a favorable bank rate. In only three months (January, February and September) was the inflation rate higher than the credit refinancing rate. Despite this, the average credit refinancing rate during the year was 53.6 percent (without capitalized interest) while inflation, computed from January to December, was 60.4 percent.

The entire past year saw a very strong recession. In addition, enterprises were heavily encumbered with taxes. In the third and fourth quarters they exceeded the amount of gross profit by 3.1 and 29.4 percent, respectively. This resulted in an increase in the number of enterprises that lost ability to get credit. By the end of the year, 2880 entities were in this position. Meanwhile, the amount of indebtedness of economic entities increased in real terms by only 1.2 percent. At the same time, of the 73.5 trillion zlotys [Z] in credit increase, private sector indebtedness increased by Z27.5 trillion.

The deputies were very much interested in the matter of salaries for the NBP employees. At the end of the past year, salaries averaged Z3.1 million monthly. The NBP employees believe that this is lower than in commercial banks where there are fewer essential employees. When the banking law was adopted this year, the rules for setting employee pensions were changed. At present pensions are set based on pensions in commercial banks.

The deputies raised no questions on the numbers or operations of the bank as presented. They did note, however, that the method of their presentation is not acceptable. In their opinion, the central bank should not limit itself to submitting dry numbers, but should also analyze them more deeply and evaluate them. This should pertain also to those activities that are not within NBP jurisdiction, for example, the tariff policy and its effect on the balance of payments. The NBP president will be asked to prepare a detailed analysis. The deputies were also "distressed" because there was no one from the bank administration at the meeting of the committee; the bank administration was represented by persons with the rank of department director.

Survey Updates Labor Market Unemployment Data

92EP0673A Warsaw RZECZPOSPOLITA in Polish 4 Sep 92 p I

[Article by Antoni Kowalik: "Bluebirds' or the Unemployed Against Their Will?"]

[Text] Unemployment in Poland has reached the level of the developed European countries such as France or Great Britain. On the continent we rank fourth in this respect. Unemployment is higher than in our country in Spain, Ireland, and Italy. We differ from those countries in that unemployment in our country is growing at a much faster rate, i.e., about a million more each year; we also differ in the principal cause of this trend, namely, the economic crisis.

Such are the finding of a GUS [Main Statistical Administration] study of the economic activity of the population, the first of its kind in Poland. This study consisted in gathering information not from official or statistical records and registers but directly from households. That is how the labor market and employment are investigated in the developed European countries. That is because the resulting findings are considered most credible.

Worse Than It Seems

It turns out, however, that this European method cannot be used to verify the data on employment available at the employment offices, and neither will it resolve the controversy about the true scale of unemployment in Poland. The results of the European and Polish methods cannot be directly comparable owing to the differing definitions of the unemployed. A study conducted last May showed that the traditional unemployment statistics exclude as many as 743,000 persons, that is, close to a third of the total number of those registered, who under the European definition should also have been included.

They are, among others, job seekers who do not register at employment offices, persons whose unemployment benefits have expired, and persons of post-ablebodied age. But from this figure, too, about a third of those registered by the employment offices would have to be eliminated, because under the abovementioned definition they are not unemployed. In sum, the unemployment total revealed by studies of the economic activity of the population proved last May to be 25,000 higher than recorded in official reports. The general situation on the labor market is, however, as emphasized at last Thursday's conference at the GUS, much more difficult than might ensue from the statistics. This concerns in particular the threat of unemployment in discrete regions, which keeps growing.

For Economic Reasons

The studies confirmed a broad differentiation of the effects of unemployment, which depend on: age (young people 18-19 years old are in the worst situation—the unemployment rate in this group was as high as 34 percent); sex (the fewest jobs are offered to women); education (persons with elementary education have the fewest chances of finding jobs); and domicile (unemployment is greater in cities than in the countryside).

The findings presented by the GUS conflict with the fairly widespread opinion that a majority of the registered unemployed have also never before been working or been employed, because that is more convenient to them. Thus, it turns out that as many as 85 percent of the total unemployment last May had been previously employed and simply lost their jobs, with 56 percent having lost them "for economic reasons," that is, against their will. Thus, those listed on employment office

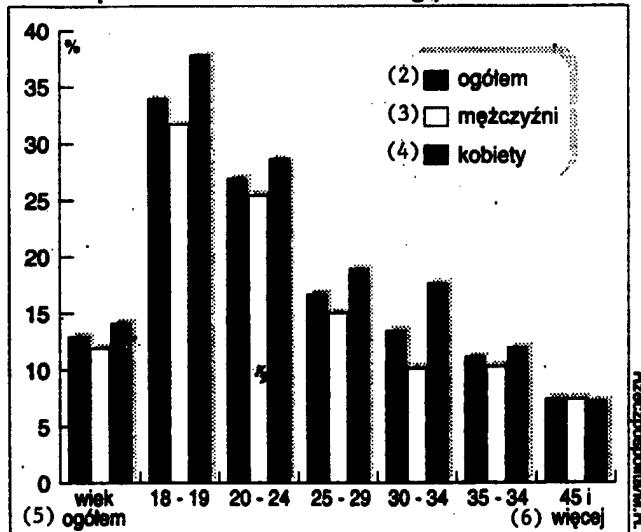
registers are not chiefly "bluebirds" [drifters]. Only 8 percent of the registrants quit their jobs on their own.

Another popular opinion, which was not confirmed by the studies, is that it does not pay to accept work for the wage offered. Fifty-five of the unemployed declared their willingness to work for 1 to 1.5 million zlotys monthly, that is, for the then minimum wage.

Every fourth jobless applicant registered last May has been without a job for at least one year, and 12 percent for two years. In addition, 64 percent of the jobseekers were unemployed for the first time; a third, for the second time; and 3 percent, for the third time or more often. Of the population of 28.4 million whom the studies concern, 17.4 percent were occupationally and professionally active (61 percent. This indicator includes the employed and the unemployed who, by the definition used in the West, constitute the labor force.) The group of the employed numbers 15.4 million, and that of the unemployed, 11 million. Of the employed, 95 percent are regularly employed and the remainder work occasionally, chiefly in the private sector. Every sixth employed person works more than 60 hours weekly.

The findings of the presented studies cannot, like the employment office registers, serve to draw optimistic conclusions about the future. Unemployment, which was to result from structural changes, has in reality been caused by the decline in output. Of the branches of the economy contributing most to unemployment, industry ranks first, ahead of construction and retailing. This means that the expected structural unemployment will occur tardily, thus aggravating the problems of the labor market.

(1) Stopa bezrobocia w Polsce wg płci i wieku



Key:

1. Unemployment Rate in Poland by Age and Sex
2. Total
3. Males

4. Females
5. Age, total
6. 45 and over

Trade Unions View Pact on State Enterprises

*92EP0673D Warsaw POLITYKA in Polish
No 38, 19 Sep 92 p 5*

[Article by Jerzy Baczyński: "All Hands on Deck: The Enterprise Pact"]

[Text] Shall we negotiate the pact, or shall not we? Labor and Social Policy Minister Jacek Kuron proposed that negotiations on the pact on State Enterprises begin on 21 September at 1200 hours. The meeting would be attended by, in addition to government representatives, representatives of trade union federations (which are said to number by now as many as 15) and employer organizations. The experts were to start work already this week. These deadlines seem hardly realistic, if only because trade unions are basically too weak to digest within such a short period of time a huge package of draft laws and orders constituting the future pact. Despite everything, it would be desirable for the negotiations to begin as soon as possible.

Trade union federations are experiencing the moment of truth: it is much easier to organize protest strikes than to take part on a substantive discussion of enterprise leasing or restructuring. But trade unionists got hoisted by their own petard: They had so often been demanding participation in taking decisions on the fate of enterprises and work forces, so loudly clamoring for the abolition of the tax on wage increases and in favor of gratis employee stock ownership and enterprise debt relief, that they cannot now ignore the government's proposals. As Prime Minister Hanna Suchocka declared, the government is open to any proposal from trade unions, on one condition, however: that it be realistic.

It would be interesting to know to what trade union federations this constraint is unacceptable. (I have my choices, but I do not want to prejudge the responses of the trade unionists.)

But even if trade union federations respond positively to the pact proposal, the road to that pact is rocky and strewn with obstacles. Even before the merits of that proposal are debated, heated procedural disputes concerning the negotiating rules themselves—should decisions be taken unanimously or by balloting, and what kind of balloting?—can be expected. This would be followed by a period of discussion of a dozen or so legal acts and hundreds of detailed provisions. Without the goodwill of all partners, such debates may, in Polish conditions, continue indefinitely with occasional disruptions by mutual insults, protests, appeals to the grassroots.... Let us assume that this stage too will be successfully completed. Thereupon, the agreed-upon drafts of legal acts will be transmitted to the Sejm. Unless fast-lane processing of legislation is employed (and that will require the passage of the Small Constitution and its signing by the president), the draft laws will be talked to death or amended until they directly conflict with the decisions of the parties to the pact. The government

must have in the parliament a stable and disciplined majority that would approve solutions agreed upon outside the Sejm.

After the passage along the legislative path and the creation of the legal framework of the Enterprise Pact, the stage of implementation would begin. First, at the plant level a representation of the workforce would have to be formed through an agreement among various trade union organizations (I can just see that), or through a referendum. Next, that representation, which might be internally bickering, would have three months to decide on how to change the situation of its enterprise. The resulting proposals would then have to be vetted by the Ministry of Privatization (as regards the form of privatization), the Ministry of Industry (plans for restructuring), and the banks and the Ministry of Finance (procedure for debt relief).... Every such vetting affords, of course, considerable room for disputes. At the same time, the newly appointed National Negotiating Commission would determine the indicators for tax-exempt wage increases. The ceilings thus determined should be totally respected by the workforces and trade union organizations.

I have enumerated above the obstacles and possible bones of contention (far from all) in order to emphasize the need for goodwill and the requirement for patience of all participants in this process. The proposal for the Pact on State Enterprises is a litmus test of responsibility to trade unions, political parties, and enterprise work forces and management. We do not have good experience in resolving disputes by negotiation; on the contrary, the impression might arise that an infantile conception of honor prevents all the parties from making concessions.

The idea of the pact in itself is already being attacked, even before any talks have started. Some people accuse the government of seizing on this idea as a mere social-engineering trick, intended to entangle trade unions in endless talks, while others contend that any agreement thus reached will remain on paper only; even Solidarity, which is normally positively disposed toward government proposals, is warning that it will not sign anything that does not guarantee overcoming the recession. The view has arisen that granting to workforces the right to decide on the fate of enterprises means a two-year step backward for our reforms. At a press conference, both Prime Minister H. Suchocka and Minister J. Kuron argued that the offer is honest and open, that the government really wants the workforces to participate in the restructuring of the economy, and that this is no step backward but, on the contrary, a step forward, an exploration of ways of overcoming the stagnation in which Polish reforms are mired. Will the prime minister's argument, "All hands are needed on deck," convince the eventual partners in the negotiations?

The recent strikes, and especially the prolonged conflict at the Tychy FSM Plant [compact car plant], should be interpreted by trade unionists as a signal that the government does not intend to buy social peace at any price.

Thus, if we do not want to be bogged down in hopeless disputes of unrealistic demands, there remain the attempts to obtain for workforces what is possible. But to this end, the trade unions must, even before they consent to specific solutions, coordinate with the government a common interpretation of reality and define the limits of possible maneuvering and concessions. That precisely seems the hardest task.

The so-called trade union experts are most often hired ideologues whose main task is to justify the validity of worker protests, point to the criminal incompetence of the authorities, and stoke the belief that were they to steer the ship of state, we would long ago be affluent and content. I fear that these experts are totally useless when it comes to evaluating government proposals. Attempts to torpedo talks on practical matters will be their last chance to save their own skin.

If the proposal itself of the pact is rejected or blocked, we can expect to face successive surges of hopeless protests and mutual recriminations. A "no" to the talks has to be interpreted as lack of seriousness. We should watch closely and identify the individual responses to the idea of substituting the pact for the traditional "jawing."

Lucrative, Practical Side of Weapons Exports
*93EP0008B Warsaw PRZEGLAD TYGODNIOWY
in Polish No 40, 4 Oct 92 p 13*

[Article by Paweł Wieczorek: "Tanks per Kilo"]

[Text] No one doubts that Polish-made weapons have been used numerous times in the local military conflicts, probably including Yugoslavia. But it is difficult to estimate the scale of that phenomenon. Let us sum up the known facts, especially those related to the export of armor, which has been the central part of the Polish offer to foreign clients.

Tanks made in the Labedy factory were sold in the past to India, which tried out their combat capabilities in two wars with Pakistan. Furthermore, Egypt and Iraq bought several hundred Polish-made T-54's, T-55's, and T-72's. They also ended up in combat during various conflicts in the Middle East. In addition, Yugoslavia imported parts for T-72's and bombs from Poland.

Altogether, approximately 40 Third World countries have imported hand guns, artillery, ammunition, and various types of military supplies from Poland after World War II. The largest purchases have been made by states involved in the military conflicts—Cambodia, Vietnam, Afghanistan, Mozambique, and Libya. Furthermore, some weapons found their way to SWAPO [South West Africa People's Organization] in Namibia and to the Palestine Liberation Organization.

Poland has exported arms worth \$1.2 billion and four billion transfer rubles in the period 1987-91. In the past decade, two thirds of the Polish arms exports were delivered to the countries of the former Warsaw Pact,

especially the USSR. Interestingly, in the last few years not much has changed in that regard. The majority of the Polish weapons sent abroad still ends up in Eastern Europe.

In 1991, Russia and the post-Soviet republics have bought the Polish military equipment worth almost \$250 million (63 percent of the whole Polish weapons exports in that period). Czechoslovakia, Bulgaria, Romania, and Hungary purchased \$33.5 million worth of weapons (9 percent of exports). NATO countries bought \$56.5 million worth of arms (15 percent), while Third World countries spent \$47.7 million to buy Polish weapons (12 percent).

The sale of the military equipment is one of the most lucrative type of exports. Let us take a look at the following tally: In 1988 Poland made \$33 on every kilo of armor, \$36 on every kilo of artillery pieces, and \$228 on every kilo of missiles exported abroad. By comparison, the exports of the Polonez cars brought only \$1.75 per kilo, while the exports of cassette-players—\$6.2 per kilo.

The employees of the Central Engineering Directorate [CENZIN], which is a specialized department within the Ministry of Foreign Economic Cooperation [MWGZZ], make a point that Poland has never exported arms to both sides of one conflict or to the countries embargoed by the UN. For example, while Iraq bought large quantities of weapons in Poland, Iran purchased arms somewhere else.

Of course, one cannot exclude the possibility that Polish arms have been reexported to third parties without the permission of the Polish authorities, especially in cases involving hand guns, ammunition and/or military supplies. It is worthwhile pointing out that Israel sold some weapons made in Poland that it had captured during its clashes with Egypt and Syria.

In addition, one has to mention quite common attempts to copy military equipment by countries that do not want to or cannot obtain licenses to purchase arms legally—directly from their manufacturer. The international arms market has already seen a few series of the pirated versions of the Polish submachine gun RAK. Some of these weapons were used in terrorist attacks.

Regardless of moral qualms the arms exports may engender, one has to state clearly that Poland cannot and should not cease to sell weapons abroad. There are at least two prosaic reasons for that. First, the arms exports are a source of a considerable amount of hard currency. The profits from the arms sales enable Poland to partially finance the arms imports, needed by the Polish Army. More importantly, those profits could be also used to finance the restructuring and/or conversion of the Polish domestic arms industry into civilian production.

Second, the arms exports make it possible to keep the production potential of the armaments industry ready in

case of war. The orders placed by the Ministry of National Defense [MON] have never amounted to more than 40-50 percent of the yearly output of that industry. Beginning in 1989, MON has almost entirely stopped purchasing the new combat equipment, having limited its orders to spare parts.

While it is difficult to cease selling arms abroad, the state's control over the activities of the Polish arms manufacturers and exporters can be improved significantly. The notorious (although still unexplained fully) story of the arrest of the Polish arms dealers in Germany indicates that our laws need to be amended. To be sure, the whole affair, so widely publicized by the Americans, might have been a set up designed to get rid of competition.

A bill that would comprehensively and rigidly regulate the Polish companies' participation in the international arms trade is in the final stage of drafting. In addition, MWGzZ has announced that it would review the generously issued licenses to sell arms. The practice will show the effectiveness of these measures.

Liquidation of Defense Enterprises Viewed

*92EP0687B Warsaw RZECZPOSPOLITA in Polish
8 Sep 92 p I*

[Article by Tomasz Janowski: "Thinning Out the Rear"]

[Text] The Polish Army is changing not only its doctrine and structure. Its economic underpinning also is being made leaner. The diet cure is necessitated by both the institutional changes in the army itself and the market conditions.

By now the minister of national defense has ordered the liquidation of one specialized armaments plant, five construction and repair enterprises, and one military wholesale establishment.

The Military Armaments Plant No. 1 in Krakow fell as a victim of the changes in military doctrine following the collapse of the Warsaw Pact with its division of specializations. At the ministry people say in brief that there are no more orders for that plant. Three enterprises that found themselves in a similar situation but are capable of converting to civilian production have already been transferred to voivodes. In March, the Ministry of National Defense transferred the Military Automotive Plant in Zamosc to the local voivode; in June, the military Airfield Plant in Elblag got a new owner; and on 31 August, the Military Automotive Plant No. 4 was taken over by the Wroclaw Voivode.

But the case of construction and repair enterprises as well as of commercial enterprises is different. Here it is cost effectiveness that counts.

According to information received from the Lodging and Construction Section of the Ministry of National Defense, the enterprises that were unable to operate in the black this year were placed in liquidation status.

Thus, being liquidated are four military construction and repair enterprises and the Prefabricated Elements Plant in Poznan that failed to make up for shrinking military orders by obtaining sufficient civilian orders.

"Our policy is simple: we try to preserve all those enterprises that have a chance to make it on their own," said Colonel Wesolek of the Lodging and Construction Section. "We carried out thorough economic analyses of all the enterprises, with the surviving ones having a chance to make it this year, and next year we shall repeat this entire operation."

For the time being, 16 enterprises remain on the field of battle. Even when orders are to be placed by units of the ministry of national defense, the military enterprises now also have to bid for them. Colonel Wesolek said that if the bids are equal, the military prefers to place orders with its own plants, because these do not require penalties for delays in getting paid. But wherever no military enterprise is available, the army increasingly often places orders with civilian companies.

The situation of the military commercial enterprises in the market economy varies, and for the time being only the Warsaw Military Wholesale Trade Enterprise is being liquidated. Colonel Stanislaw Sygniewicz, who oversees military trade at the Lodging and Construction Section, said that that enterprise has no longer a rationale for existing.

"Why transport merchandise throughout Poland if it can be gotten anyplace directly from the producer?" said Colonel Sygniewicz.

He said that the wholesale enterprise in question had a chance to convert to other operations and begin to engage in business with civilian companies, but last year it was in the red to the tune of 13 billion zlotys. According to the enterprise's liquidator Colonel Jan Slomian, that enterprise was additionally hurt by its old ties to a twin Soviet company, Voyentorg, and its warehouses still contain wrist watches, textiles, food, and construction materials imported in 1990, which find no buyers nowadays, at any rate certainly not at the prices ensuing from the then exorbitant exchange rate of the ruble.

Of the 15 retail enterprises operating military stores and canteen, some, especially those in larger centers, are quite prospering. But others operate in the red and, as Stanislaw Sygniewicz said, it would be cost-effective to liquidate them. But they are enterprises serving the so-called green garrisons, operating in off-limits areas, servicing military exercises, handling what other enterprises would not want to handle.

"Military unit commanders have been on trial basis letting private vendors in, and then it turned out that these vendors either raised their prices or went bankrupt, because the number of customers was limited and it was difficult to expand sales," said Col. Sygniewicz. "Thus,

for the time being, the ministry has not decided to liquidate entire enterprises, even though these too are getting leaner as a result of the reduction in the numbers of the military, with individual stores and canteens becoming shut down."

What happens to the liquidated assets? Real estate used by the ministry of national defense is in most cases the property of the Treasury and is returned to it. As for other assets, their status varies. In the case of a specialized defense enterprise, such as the Krakow one, buyers are hard to find. The liquidator has to consider that machinery and equipment can be sold only at scrap prices. In other cases, the employees may, like their counterparts in liquidated civilian enterprises, establish their own companies and lease part of the remaining assets. Such are the plans of, e.g., the workforce of the military wholesale trade enterprise in Warsaw.

At military commercial enterprises, the privatization of individual stores and canteens is possible.

Critical Need for Land Purchases by Farmers Noted

92EP0679A *Poznan WPROST in Polish No 36, 6 Sep 92 pp 46-48*

[Article by Professor Lech Ostrowski of the Institute of Farming Economics and Foodstuffs in Warsaw: "Nobody's Land; If Peasants Do Not Start Buying State Farm Land, We Will Suffer Greater Losses Than Were Laid Out in the Most Pessimistic Scenarios"]

[Text] The creation of a new economic order and the search for real owners of State Farm land make it more likely that farming will be revitalized. Bound with this are the expectations of various national groups. Currently, nearly 16,000 proposals for reprivatization of land nationalized by the Polish People's Republic have already been received; the scope of these requests is 900,000 hectares. Privatization of State Farms will also make it possible for farmers to enlarge their own farms, or organize new separate ones for their children, for example. Moreover, former directors of these farms—who are well-qualified and without whom the Agency for Farm Property of the State Treasury would not be able to directly administer the land—believe that the privatization of State Farms would benefit them as well. These managers form the largest and most active group creating new companies—sometimes with the participation of foreign capital. On the other hand, ordinary farm workers see the least opportunities coming their way as a result of privatization. These are poor people living in isolated villages and lacking contact with urban elements. Without enough money for a place to live in another location, migration for the purpose of finding work is unrealistic in their case. This serious situation may affect as many as half of the 400,000 workers working on the State Farms. However, someone must lose so others may gain. Will the farmers be the ones to gain?

Farmers require land. There are 2,138,000 farms in Poland. The average size of a farm is 6.3 hectares; only 17 percent have more than 10 hectares.

About 33 percent of the farms are unprofitable and "squander" the property; this same group records low income, but only 33 percent of the farms that are larger in size and effectively managed can invest in long-term means and current outlays. Therefore, it is not at all surprising that there is a lot of interest in buying land in the central and southern voivodships, where small farms prevail. However, there is not much land there—in both the private market and the State Land Fund sales—and its price is 18-20 million zlotys [Z] per hectare. It is otherwise in the northern and western voivodships where the State Farms are being privatized. So far, nearly 110 enterprises have been privatized or brought under liquidation. This fate awaits another 200 before the end of the year. The clearance sale of the property is set at low prices. Privatization is very rarely approached by a capital path (the sale of a share), and mainly in the case of farm food enterprises and mechanical workshops, while not typically of farm giants.

Land prices are from Z1 million to Z10 million per hectare, however, in the northern and western voivodships (35-50 percent of the land belongs to the State Farms), they are at most Z3 million. In spite of low prices, there is modest interest among the poor in buying land. Between 1980-1991, the purchase of land from the state (from the State Land Fund) decreased by 33 percent in 10 of the voivodships with the highest portion of State Farms. There are several reasons for this, of which the most important are:

- poor state of affairs in agriculture and unclear farming policy;
- the peasant economies bordering on the State Farms are not among the strong ones; they have 30 percent lower value of gross permanent production means in terms of one hectare, lower level of investment outlays (by 40 percent), lower reserves of tractive force (by 10 percent), and lower employment in terms of 100 hectares of farm land (by 40 percent), compared with the family economies of the central and southern voivodships;
- the farmers lack financial means, mainly cheap credit for the purchase of land. The current bank rate of such credit is 20 percent (in the case of credit no higher than Z150 million) and continues to exceed the financial possibilities of the farmers.

Farmers starting new farms must cope with increasingly stricter requirements. A 15-hectare farm requires Z0.5-1.0 billion of initial outlays. That is a large sum for the majority of farmers, and nearly unobtainable for State Farm workers, who live on unemployment benefits. Therefore, the circle of potential buyers of State Farm land is small, which is not beneficial. Indeed, the Agency for Farm Property of the State Treasury was not appointed to parcel out the State Farms, since Polish

agriculture is also so fractured beyond measure, but are one-man companies of the State Treasury, shareholder companies, or administrators of the Agency's resources the best solution to this problem? I have doubts, and am even convinced, that, by not sufficiently including the peasants themselves in this structural transformation, we will suffer greater losses than were laid out in even the most pessimistic scenarios.

Property conversions in agriculture have fallen on hard times. However, this should not change their essence, which relies on the replacement of a bad landowner with a good, economically, and productively effective one. The Agency of Farm Property of the State Treasury so far (for six months) is not completely fulfilling this task. Indeed, legal regulations were prepared, and an executive apparatus was organized, but not enough thought was given to attracting farmers to participate in the privatization of State Farms.

It is not exactly known how the village will receive the offer resulting from the privatization of nearly 3 million hectares of farm lands, located in those voivodships in which the market for land is poor, and land prices are high. How much land and under what conditions will the neighboring farmers from the State Farms, and how much will the settlers from central Poland be able to buy? On what legal, organizational, and financial state aid can they count? What are the possibilities of credit aid in this scope, both in the framework of expensive preferential credit, and in foreign lines designated for restrukturization and property conversions in agriculture?

In matters of the privatization of State Farms and the likelihood it creates for the village, there is complete silence. Too much silence. The debts and balance losses of the State Farms in 1991 exceeded Z22 billion and will continue to rise, and many of the fields are not sown. Is it possible in such a situation to privatize agriculture without the participation of the farmers themselves—counting on the fact that joint stock companies, administrators, and property boards of the Agency for Farm Property of the State Treasury are easing this problem? Such is farm politics, but surely not that which the village expects.

[Box, p 47]

On 1 June 1992, restrukturization and privatization of the State Farms was begun. In its first stage, which should be completed this year, the Agency for Farm Property of the State Treasury will liquidate and take over the property of 1,495 State Farms, the value of which will be Z100 billion.

So far, 100 farms have undergone conversion, and, in total, privatization will comprise 3,125,000 hectares of land (including 2,494,000 hectares of farm lands), 313,000 workers' homes, and Z16 billion of debt. Most of the farmlands that the Agency must take over are located in Warsaw and Koszalin voivodships. As much

as 63 percent of the State Farms are single-plant enterprises, with the exception of the gigantic "Iglopol" Agricultural-Industrial Factory in Debica, which consists of 82 self-financing plants.

In accordance with the regulation on state enterprises, restrukturization of the State Farms—through sale and leasing—should follow within two years.

Amendments to Insurance Law Discussed

92EP0667A Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 3 Sep 92 p I

[Article by Aleksandra Bialy: "Foreigners With Guarantees; Economic Committee of the Council of Ministers Will Review the Plan To Amend Insurance Laws"]

[Text] The Thursday agenda for discussions of the Economic Committee of the Council of Ministers [KERM] includes a review of the plan to amend insurance laws.

Among the departments that were asked to give opinions on the document, two points arouse the most controversy. The first pertains to postponing the time of entry into the Polish market by branches of large foreign insurance companies. The authors of the amendment believe that our insurance market is still too weak to be exposed to such great competition as early as the beginning of next year, as envisioned by the law on insurance of 28 July 1990. The Ministry of Finance proposes to change this to 1 January 1999. The opposition, on the other hand, believes that a period of two or three years will be completely adequate for adapting the Polish insurers to conditions of real competition.

The second point that elicited many reservations is the matter of refusing a permit to conduct insurance business. The amendment proposes that such a permit may be granted specifically when the founders and persons intended for management positions of the proposed insurance company "do not provide a guarantee for conducting insurance business." In the opinion of the critics this description is somewhat ambiguous. Similar remarks pertain to a permit to conduct broker activity, which according to the plan may be granted to anyone who "gives guarantees of proper operation of a broker business."

RZECZPOSPOLITA described the plan for amending the insurance laws at the beginning of this year. After consultations on this plan with interested parties, the proposed changes pertain mainly to:

- Separating the insurance supervisory organ from the Ministry of Finance. A State Office of Insurance Supervision [PNU] would be instituted as a central government administrative organ. Its president would be appointed by the Premier on nomination by the Finance Minister. The costs of PNU operation would be covered wholly by the insurers in proportion to their shares. At present they cover half of these costs. The Polish Insurance Chamber [PIU], in stating

its opinion, expressed reservations. It believes that if there is to be a central organ for state supervision, the budget should cover part of the costs for maintaining it.

—Making authority of supervision more flexible. The binding law anticipates only two possibilities if an insurance company breaks rules: suspension of operation or liquidation. The plan proposes adding a less drastic middle road, specifically, imposing monetary fines up to 500 million zlotys [Z] to be paid to the State Treasury for members of the insurer's administrative staff and bringing up the subject of revocation.

PIU also stated reservations with respect to supervisory jurisdiction. The insurers believe that it is "somewhat broad, sometimes unjustifiably interfering in the functioning of the joint stock companies and infringing on the regulations of the trade code." What is concerned here, for example, is the right of supervisors to suspend members of the insurer's administrative staff.

—Departing from the formula of mandatory insurance covering buildings that are part of an agricultural enterprise against fire and other disasters. At present, even if the whole property burns down, if a farmer does not meet this obligation he is not entitled to any services except those provided for by other statutory mandatory insurance.

—The plan anticipates increasing the requirements for conducting brokerage activity. The authors of the changes propose requirements like those that govern stockbrokers. For example, a qualifying examination to practice this profession will be introduced. It will be administered by the Examining Committee for Insurance Brokers set up by the supervisory organ.

—An insurer will be legally bound to make a balance sheet available not only to the supervisory organ, but to any person who wants to buy a policy from the given company.

—Also, to protect the insured, requirements will be increased for amount of capital to be raised by the insurance companies operating as joint stock companies. Mandatory solutions of the trade code are inadequate according to the authors of the plan. A minimum for stock capital was set based on the minimum guarantee capital. At present it is from Z2.4 to 9.6 billion depending on the class of insurance provided by the insurer. Introducing the obligation of paying the whole stock capital before registering the stock company was also proposed. Also introduced was a prohibition against putting up nonmonetary property when the stock capital does not reach the established minimum. The authors believe that all of these provisions would make it possible to create entities with strong capital, which is indispensable from the point of view of protecting insured individuals.

Court's Handling of Election Returns Criticized

*93P20008A Bucharest ROMANIA LIBERA
in Romanian 2 Oct 92 pp 1, 3*

[Article by Gilda Lazar: "Why Is the Constitutional Court in Such a Hurry?"]

[Text] "The newly elected parliament shall meet, at the latest, 20 days after the elections upon the convocation of the president of Romania"—Constitution of Romania, Article 60, point 3.

This article of the Constitution is one reason why the Constitutional Court is exerting pressure on the Central Election Bureau [BEC] to announce the results of the presidential elections as soon as possible, regardless of their condition, for the purpose of organizing the second ballot (two weeks after the election, as the election law stipulates). If it is still necessary, this proves once again that, in theory, our election laws are superb and are constructed according to the most modern European models, but there is a complete absence of material and physical possibilities when you put these laws into practice. The specified deadlines, set in accordance with the provisions of the law, are very strict and very tight. As early as two weeks ago, the director of the "Elect '92" project predicted that Tuesday, 29 September—the day that the bags of ballots and the official reports reach the electoral districts—would be a critical day. As we see, the legislators in Dealul Mitropoliei did not see things the same way and did not learn anything from the experience of the local elections. In the local elections, the crowds at the mayors' offices when the official reports from the sections and the bags of invalid ballots were delivered, created indescribable confusion. Next, the process stalled in Bucharest electoral district No. 41, which has 1,281 sections (almost as many as five or six counties taken together), but the same number of clerks as any ordinary district. But the legislator thought (or did not think) of this! By chance, the three judges in the Bucharest electoral district are women. On Tuesday, a long and irascible line formed at the office of the mayor of the capital. Some section chairmen, tired and nervous after two days and two nights with no sleep, simply deposited their bags in the corridor and left. Others began to shout and the lady judges, at the end of their rope and conscious of their responsibility, had to check all 1,281 (multiplied by three) official reports (to see if the total was correct and if they had all the necessary signatures) and each invalid ballot in the endless number of full bags, as well as the number of stamps. It is obvious that the law is bad but Messrs. Ninosu and Gherman (who were present alongside the members of the Constitutional Court in the BEC), the very ones who contributed to its drafting, are trying to change its course and to gild the lily—as they did with the "charming" Iliescu on the election slate of the Democratic National Salvation Front. Since the law was violated at that time, Iliescu could be a candidate but only as an independent; while,

as an incumbent president, he did not have the right to engage in propaganda for a party by loaning it political capital.

Closing this chapter, let us return to the issue of the inadmissible number of invalid votes, as a result—let us admit—of troublesome stamps. Why? Because there is a problem here. Article 29, letter F of the election law stipulates that "ballots that have been used and are not contested, as well as those that are cancelled (not used) and the stamps are handed in to the territorial judges' offices. But the legislator does not have a good memory because the law says, in Article 64, that the section presidents will deliver the stamps to the district election offices, along with the invalid and contested ballots and the sealed files. The BEC noticed the discrepancy and decided that the stamps would be delivered in accordance with the second variant, that is, to the districts, together with the invalid ballots (those that are stamped more than once.) Why? Because the BEC has its reasons, which reason cannot penetrate. Maybe this is the explanation for the flood of invalid ballots (27 percent of all ballots in Calarasi). If we add to this anomaly the fact that 15-20 percent of the voters (most of them drifters) were registered on special lists, which are added to the official ones (for example, in Alba, Arges, Mures, Maras, and Constanta—predominantly Democratic Convention [CD] counties), there is a logical conclusion: In many electoral districts, actually in most of them, the invalidation of the election should have been sought, because the fraud is very flagrant, even though it is perpetrated by subtle methods. Unfortunately, the legal deadline for filing such an appeal has passed. There is only one solution: If the situation remains unchanged after the invalid ballots are checked once again, the BEC itself will have to decree this invalidation.

P.S. The situation on the basis of CD calculations differs substantially from the official version, with votes in excess of the total number of persons voting being recorded in some sections. In some counties, such as Dolj, official reports with only two columns for names were to be used for the second balloting. But, officially, the printing of these reports was not supposed to begin before the Constitutional Court gave the green light for the second round!

Military Promotions, Transfers, Retirements

93P20004A

[Editorial Report] Bucharest MONITORUL OFICIAL in Romanian on 18 September 1992 publishes on page 1 a presidential decree stating that Major General Lucian Iosif Culda of the Ministry of National Defense was transferred to the reserves as of 8 September. The same source publishes on page 2 a decree reporting that on 10 September Colonel Anton Gheorghe Birleanu of the Ministry of National Defense was promoted to major general and that he retired on the same day.

MONITORUL OFICIAL of 31 August publishes on page 1 a presidential decree announcing that the following retired colonels, who are war veterans, were promoted to the rank of retired major general on 7 August: Colonels Gheorghe Gheorghe Cocis, Ion Ion Costescu, Mircea Gheorghe Degeratu, Florea Teodor Dumitrescu, Calin Vasile Eftimie, Vasile Dumitru Geambasu, Cornelie Alexandru

Georgescu, Constantin Ilie Litu, Virgil Toma Mahulet, Vasile Constantin Niculescu, Ion Gheorghe Pana, Mihail Gheorghe Pavlovschi, Teodor Oprea Petre, Ion Alexandru Popescu, Marin Nicolae Popescu, Neculai Dumitru Pruteanu, Ioan Petrea Rufa, Ion Nila Stanculeasa, Petre Constantin Teica, Dumitru Dumitru Teodorescu, and Ion Marin Toma.

Assembly Committees, Leaders Listed

*93BA0032F Zagreb VECERNJI LIST
in Serbo-Croatian 26 Sep 92 p 4*

[Unattributed article]

[Text] A total of 14 committees will be operating within the parliament of the Republic of Croatia:

Foreign Policy Committee

President Dr. Zarko Domljan (Croatian Democratic Union [HDZ]), Vice President Bozidar Petrac (HDZ)

Finance and State Budget Committee

President Dr. Boris Segota (HDZ), Vice President Martin Katicic (HDZ)

Economy, Development, and Reconstruction Committee

President Slavko Degoricija (HDZ), Vice President Anton Kovacev (HDZ)

Human Rights and Ethnic Minorities Rights Committee

President Dr. Ljubomir Antic (Croatian Social-Liberal Party [HSLS]), Vice President Dobroslav Paraga (Croatian Party of Rights [HSP])

Labor, Social Welfare and Family Committee

President Ivan Matija (Social-Democratic Party of Croatia-Party of Democratic Changes [SDPH-SDP]), Vice President Dr. Mato Arlovic (SDPH-SDP)

Environmental Protection, Zoning, and Construction Committee

President Dr. Goran Granic (HSLS), Vice President Dr. Boris Kandaro (HSP)

Education, Science, Culture, and Sport Committee

President Dr. Nedeljko Mihanovic (HDZ), Vice President Josip Vusic (HDZ)

Agriculture and Farming Committee

President Stjepan Sulimanac (HDZ), Vice President Ivan Tarnaj (HDZ)

Maritime Affairs, Transport, and Communications Committee

President Zelimir Hitrec (HDZ), Vice President Ante Karic (HDZ)

Petitions and Complaints Committee

President Anto Djapic (HSP), Vice President Dr. Franjo Zenko (HSLS)

Kazimir Siben (HDZ) was elected president of the Commission for Establishing War Damages and Postwar Damages. The vice presidents of this commission are Vice Vukojevic (HDZ), Gordana Turic (HDZ), and Velimir Terzic (HSLS). Besides the parliamentary representatives, other public workers will also join in the work of this commission.

Nediljko Matic (HDZ) was elected yesterday as the new president of the Mandate-Immunity Commission; the previous president, Stjepan Herceg, was elected public prosecutor of Croatia.

Biography of Croatian Public Prosecutor

*93BA0038E Zagreb NOVI VJESNIK in Serbo-Croatian
25 Sep 92 p 4*

[Text] The deputies have accepted the nomination of Stjepan Herceg as public prosecutor of Croatia and Petar Sale as solicitor general of the Republic of Croatia. His deputy will be Kresimir Aleric.

In thanking the deputies for the confidence they placed in him, Stjepan Herceg said that he considered himself able and well-trained to perform the duties of that office, but that his job is only a part of the entire system of the law-governed state in which both the police and the courts, together with the prosecutors, must coordinate activity. He also said that the government will also be making its contribution to establishing the law-governed state, and that for instance the department to control smuggling was recently established and has gone into full swing. Herceg said that no journalist can be charged for an opinion expressed, but that this could be an individual working against the Croatian state if he is encouraging and promoting paramilitary organizations. In conclusion, he said that no one can take justice into his own hands and that Croatia must guarantee fairness. It is my desire to contribute in that respect, Herceg said.

Stjepan Herceg was born 25 December 1938 in Daruvar. He is a member of the Croatian Democratic Community. He graduated from the Law School at Zagreb University in 1964 and from then until 1967 he was a lawyer in training in Zagreb. After he passed the bar, he was entered in the directory of the Chamber of Croatian Lawyers right up until 1990. Since that year, he has held the position of adviser in the Office of the President of the Republic and that of chairman of the Commission of the Republic of Croatia for Amnesty. He spent the period from 1960 to 1962 in the camp for political prisoners on the island Sveti Grgur.

Before his appointment as public prosecutor of the Republic of Croatia, he was deputy director of the Office for Protection of Constitutional Order. He is married and is the father of two children.

Biography of Croatian Solicitor General
*93BA0038F Zagreb NOVI VJESNIK in Serbo-Croatian
25 Sep 92 p 5*

[Text] Petar Sale was born 18 December 1947 in Zadar. He is a member of the Croatian Democratic Community. After elementary and secondary schooling in Zadar, he studied at the Law School of Zagreb University. He finished his course work in 1971, when he was arrested and tried before the District Court in Zadar in 1972 as a leader of the League of Croatian University Students. He was sentenced to two and a half years in prison for a crime under Article 118 of the Criminal Code. Before the previous verdict had become final, and after he had been released from custody during investigation, he was arrested again in 1974 and sentenced to a single prison sentence of four years and 10 months, all of which he served in the Stara Gradiska Penal Institution from 1974 to 1979. After he left prison, he graduated from the Law School of Zagreb University. Although he passed the bar

exam, he was not allowed to be included in the directory of attorneys of SR [Socialist Republic] Croatia at that time. Ten years after he served his sentence, in accordance with the law on legal representation, he managed to be entered in the directory of Croatian attorneys and to open his law office.

In the period of democratization of Croatia and the new democratic elections, he was elected a deputy in the Croatian State Assembly, and the Assembly elected him a member of the delegation of the Republic of Croatia in the Chamber of Republics and Provinces of the Assembly of the former SFRY. He held that office until the session of the Assembly of 8 October of last year, when the Assembly broke off all governmental and legal relations with the former SFRY. Before appointment as solicitor general of the Republic of Croatia, he held the position of assistant minister for administration in the Ministry of Jurisprudence and Administration. He is married and is the father of two children.

Relocation of Bosnians in Vojvodina Protested**Subotica Mayor's Views**

92BA0022A Subotica NAPLO in Hungarian 16 Sep 92 p 9

[Unattributed interview with Jozsef Kasza, mayor of Subotica; place and date not given: "There Will Be No Permanent Residences on a Temporary Basis in Subotica; Statement by Mayor Jozsef Kasza to Radio Novi Sad"]

[Text] In Palanka, representatives of the Serbian Government informed the tourist organizations of Vojvodina about a program which will relocate 140,000 refugees from Bosnia-Hercegovina in Vojvodina, for which the government will provide resources without return [illegible passage]. Is Subotica applying for these resources?

[Kasza] Subotica has been dealing with the refugee problem for a long time. About 10,000-12,000 refugees passed through our town; we provided them with food and health care for days, and even weeks, and we took care of them as much as we were able to. In Subotica there are about 4,500 permanent refugees from Baranja. We placed them in apartments, with acquaintances and relatives, and with people who would take them in. The support of these refugees is largely taken care of. In the case of families, at least one member of the family is working. At the moment about 650 children are in school: Of them, 310 are in elementary school, and 340-350 in high school. This represents 20 classes of a complete school.

In my opinion Subotica has done its fair share in accepting and caring for the refugees and in solving problems, and I think that the city's possibilities have been exhausted. Subotica is not applying for any resources, and cannot accept the proposed plan. Besides, no one has presented the plan to us yet; we only know from newspapers and official communications that this is what they want. The correct thing to do would be to ask us if this is what we want. I can assert that Subotica's population will do its utmost to help every refugee, but will not accept changing the composition of the population by force. Due to the attitude displayed in this monstrous proposal, the plan will not come to pass, if only because one needs huge amounts of money to build such settlements, as well as a complete communal infrastructure, sidewalks, water, sewers, bus lines, and I haven't even mentioned heating and similar problems.

Employment—this is impossible. In Subotica, tens of thousands of people are without work, and several thousand live on the border of the poverty line. We have to provide about 1,500 households with one metric ton of fuel, so that people will not freeze to death in the winter. Under such circumstances we are unable to shoulder such an additional burden, especially in view of the fact that the government and the federal administration cut the municipal budget down; they took everything they

were able to. We are burdened by the problems of health care and the entire social problem. All this must be taken into account.

Situation in Senta

92BA0022B Novi Sad MAGYAR SZO in Hungarian 17 Sep 92 p 7

[Article by Jozsef Gergely: "Senta Cannot Take In Any More Refugees; Private Property Is Inviolable; Paroski Spreads Lies About Persecution of Serbs; At the Peace Commission's Meeting"]

[Text] Yesterday in Senta, on the initiative of the local organization of the Serbian Renewal Movement [SPO], Mayor Gabor Toth Horti convened a meeting of the peace commission: Representatives of the political parties which are active in the town. Vladimir Ciganovic, president of the Serbian Renewal Movement, asked for a discussion of the refugee problem. The representatives of the parties (VMDK [Democratic Alliance of Vojvodina Hungarians], SPS [Serbian Socialist Party], SPO, and the Democratic Reform Party of Vojvodina) agreed that they must present a unified point of view concerning the plan of the refugee commission which envisions moving 2,800 refugees into Senta.

The news of the impending settlement of a large number of refugees caused great anxiety among the population. The citizens' fears must be dispelled; forceful settlement must not take place. The town clearly and understandably signaled to the officials that it would be impossible to settle and care for such a large number of refugees when the number of unemployed in Senta has reached 1,400, and 1,200 welfare cases have been registered. A considerable number of workers live at the border of the poverty line; they were not even able to buy fuel for the winter, and the drought caused a 60-70 percent shortfall in the crops. The settlement of a larger number of refugees is physically impossible; the town cannot undertake a task which it cannot fulfill, the mayor explained. At most, they could house 30-40 refugees, if the refugee commission paid all the expenses.

At the moment there are 170 refugees in Senta. Fifty of them are working, but caring for the remaining 120 is an increasing burden when there is no fuel even for nursery schools and schools. The host families have already indicated that they are no longer able to care for the refugees. The town has no food, no fuel, and no money to care for the refugees, and it is not able to help the local welfare cases either. The representatives of the parties agreed that only within realistic possibilities and with considerable help from the outside would the town be able to provide the housing and see to the temporary settlement of a certain number of refugees—exclusively in public buildings; private property is inviolable.

Provocation by Paroski

The members of the peace commission were outraged by a statement in the newspaper DNEVNIK given by Milan

Paroski, leader of the People's Party infamous for his extreme views, to the effect that the Serbs are endangered by genocide in the townships with a Hungarian majority population, such as Senta. As an example he brought up the case of the widow of Radusko Stevic, the Orthodox priest of Senta who passed away last year. She allegedly was ordered by the "Hungarian township" to move out of her apartment; the VMDK would pay the costs of her move to Serbia. These claims by Paroski are outright lies; he is trying to spoil the exemplary relations between the ethnic groups in Senta. One must not be duped by such rumors, said the representatives of the parties.

Radusko Stevic's widow received from the township the rooms of the former offices of the Militant Alliance, 83 square meters in the very center of town. She is allowed to continue to use them until the township obviously needs these rooms which are registered as business premises. So far, there is no indication that she will have to move out of her present apartment. When the township needs the rooms, it must provide another suitable apartment for the widow, giving her adequate notice. This is unequivocally and clearly stated in the order of the executive committee, and this is what Paroski calls genocide of the Serbs of Senta. Unbelievable audacity!

DEPOS Spokesman on Alleged Rift, Elections

93BA0037A Belgrade BORBA in Serbo-Croatian
21 Sep 92 p 7

[Article by S. Kostic based on interview with Dr. Vladeta Jankovic, spokesman of the Democratic Movement of Serbia: "Their Nightmare and Their Rumors"]

[Text] The announcement of the early elections has restored hope to that part of the opposition operating under the sponsorship of DEPOS [Democratic Movement of Serbia] that something can be straightened out, but it has confronted the movement with new trials. Following the six-month struggle for the calling of elections, now the best solutions have to be found and this opportunity has to be used in the most intelligent way, but perhaps there has been an abundance of solutions and intelligence. To the point where certain solutions have even become a surplus, and that is probably why stories have begun to circulate about a "short circuit" within DEPOS. In fact, along the seam between the SPO [Serbian Renewal Movement] and the rest of the movement, which is "illustrated" with various situations and examples: About how the people from DEPOS did not attend the opening of the SPO office, that the SPO is preparing its own election headquarters (while a month ago they announced a joint headquarters), and to the effect that Vuk Draskovic actually said that they need DEPOS less than DEPOS needs them (which he later denied in Francuska 7). However, Vladeta Jankovic, DEPOS spokesman, says there is no split at all.

There have always been differing opinions, and they remain, and they should be there, but we always agree on

everything, Jankovic says. I do not doubt that we will be united in the election and that we will not allow ourselves to delight Milosevic and his followers with any dissension. The rumors being propagated and spread are an indication of how much fear of DEPOS there is in the authorities and those who support the government. If we have not brought in as many parties as we wanted at the outset, those we have brought in are operating in concert and, very important, effectively, Jankovic says.

The Backbone of the Democratic Forces

From its very establishment, DEPOS has been a kind of nightmare for the government, according to Jankovic. For them, a successfully unified opposition is like the realization of a frightening dream. That accounts for the panic which has given rise to rumors as well as intrigues and disinformation. Meanwhile, we are keeping our cool and continuing to do our job. We are aware that any crack in DEPOS would be a reason for celebration in the ranks of the SPS [Socialist Party of Serbia], nor would it be confined to them.

The story about the alleged split in DEPOS was started as soon as the talks began on making up the election slates. Because this job of drawing up the slate is still being done, we asked Jankovic to what extent that job was burdened with various disagreements within the movement?

Putting together those slates is a very complicated business, Vladeta Jankovic said, especially in an organization like DEPOS, which has only four founding parties, which is not to mention the other people outside parties. It is unusually difficult to draw up a slate for proportional elections. However, we are working on it. The most important thing is for this effort to go forward in a spirit of tolerance, patience, and understanding. I think that in the end we will nevertheless present a single slate, but now the proportions of that slate need to be determined. But even if we did not present only one slate, DEPOS, according to Jankovic, would still remain DEPOS. The advertising would be unified, and we would support one another. However, I think that this would not be in the interest either of the SPO or the remainder of DEPOS. The job will be easier because it is not just a question of one election, but of elections at the federal and republic levels, so that there will be enough places for everyone. If there should in fact be more than one electoral unit, there will be that many more places on the slate. It is precisely the strength of DEPOS that it can put forth strong individuals. We have not become the SPO, nor has the SPO become DEPOS. That means that we are a coalition, and we have been saying that from the very beginning. We have always taken care, Jankovic said, that the parties preserve their identity and that DEPOS serve as a backbone for bringing together democratic forces for the time of change that an election represents.

An Inescapable Precondition

As for the nonparty people and their representation on the DEPOS slate, nothing very precise can be said at present, so we have learned from members of the DEPOS Council. The prestigious nonparty figures, members of the Academy of Sciences and other cultural figures who do not belong to the parties, but took part in creating DEPOS, will agree with one another on who will be on the slate. The desire in DEPOS is to include a maximum number of them, but at the same time they emphasize that understanding should be shown toward certain people who wanted to contribute by virtue of their prestige, but who do not want to become actively engaged in politics. Accordingly, one should not expect to see all the stars of DEPOS on the slates. It will be enough, they say in DEPOS, if they support the movement in the election campaign and continue to work in public for the goals for which DEPOS was formed.

DEPOS has perhaps not turned out to be as broad a movement as I personally wish, Jankovic also said, assessing the present moment. However, I am no longer certain that that would have been good. Now that we have arrived at the point of participating in the election and making up the slates, it turns out that it is almost better that there are not more of us, because then the situation would be much more complicated. We are preparing for the election, but the conditions for participation will be strictly respected. We managed to get the proportional election system adopted, Jankovic says, but a second inescapable condition is the liberation of television. On this point, we are absolutely unrelenting and we will boycott the election unless equal access to the media is guaranteed. Our objective is that DEPOS get more votes than the SPS. Then it is quite possible that we will operate in the Assembly as the DEPOS deputy caucus. After that, we will see whether there are reasons for DEPOS to continue to exist as DEPOS.

New FRY Identity Cards in Occupied Territories

92BA0037B Zagreb NOVI VJESNIK in Serbo-Croatian 16 Sep 92 p 8

[Article by Marko Barisin: "The Story About 'Identity Cards'"]

[Text] Osijek—Large-scale replacement of people's personal documents is rapidly taking place at the present moment on the territory of occupied Baranja. By the end of the year, the entire population must exchange their identity cards and other documents used to prove a person's identity. Identity cards of the Republic of Croatia are being turned in to the Beli Manastir Secretariat for Internal Affairs, and people are receiving new "identity cards," which in appearance and format are very similar to the identity cards of the Republic of Serbia. The two-headed eagle with a coat of arms bearing the "four S's" and the words in Cyrillic "Identity Card" are printed on the outside cover. On the first page, aside from the coat of arms, there is the inscription "Federal

Republic of Yugoslavia," and beneath that "Serbian Republic Krajina." Personal data are written in Cyrillic on a typewriter brought from Serbia for that purpose. The photograph and signature of the authorized official are certified by the stamp of the "Serbian Republic Krajina."

Nothing strange about that at first glance. We have already become accustomed to the stubborn insistence that the so-called Serbian Republic Krajina exists and is functioning. It is already well-known that the ultimate intention of the policy of Serbian expansionism is to annex occupied parts of Croatia to an expanded Serbia. However, it is evident from the new identification documents that the Serbian Republic Krajina is an integral part of the Federal Republic of Yugoslavia. At least that is what is written on the new "identity cards."

The Byzantine games are obviously continuing without limit, so that overnight the "Serbian Republic Krajina" has ended up under the wing of the unrecognized "Federal Republic of Yugoslavia."

Serbia insistently asserts that it is not at war, "FR [Federal Republic] Yugoslavia" persistently asserts at the top of its lungs that it has no territorial claims against internationally recognized neighboring states, they are all of them in favor of peace and a final determination of the activities of war. Nevertheless, the facts indicate something else, as confirmed by the printing and distribution of the new "identity cards" on the territory of occupied Baranja. This is obvious evidence that "FR Yugoslavia" has already appropriated the occupied territory, that is, that it considers it an integral part of its own territory.

Serbia is continuing to pursue its own line. It says one thing and does another, and it does not pay much heed to the results of the London Conference.

Raska-Prizren Bishop on Kosovo Serb Status

93BA0037C Belgrade NIN in Serbo-Croatian 18 Sep 92 p 6

[Interview with Dr. Artemije Radosavljevic, bishop of Raska and Prizren, by Jelko Jovanovic and Svetozar Rakovic; place and date not given: "The Same Kitchen and the Same Smells"]

[Text] Dr. Artemije Radosavljevic, the fourth man of the famous "four-leaf clover" of the Serbian Orthodox Church (Atanasije, Anfilohije, Irinej, and Artemije), has long been far from the public. After decades spent in a monastery, he has been elected bishop of Raska and Prizren. He is not one of those bishops who believes that today one should be silent. He spoke out in his message to the St. Vitus' Day assembly, and in early August in the Gracanica Declaration, and then the Decani Proclamation. "If the authorities turn a deaf ear to the demands that have been made, the Serbian people of Kosmet will take their fate into their own hands."

[NIN] Now that Mr. Panic has taken the post of federal prime minister, the question of dialogue in Kosovo has become relevant once again.

[Radosavljevic] I do not know what dialogue you are referring to and with whom. No one has planned a conversation with us, as though we do not exist. Recently, the Government of the Republic of Serbia has several times invited Skipetar representatives for talks and negotiations which were not accepted. The Orthodox Serbs from Kosovo have never been invited during that time. We wrote in the Decani Proclamation that Kosovo can be discussed only in Kosovo and only with us. We will not accept and carry out any document and decision, wherever it has been signed, unless it has first been agreed with us.

We invited representatives of the government to come, for us to call an assembly of the Serbian people so that they could hear first-hand what is being done to them. We are not recognizing any decisions without that. And we have already said that we are withdrawing confidence and support from the authorities in Belgrade, and we are standing by that.

[NIN] Your view toward the Serbian authorities is well-known; nevertheless, the question remains why after everything that has happened people look at Kosovo with closed eyes.

[Radosavljevic] First of all, this was in the interest of the Communist Party, the International, and now it is in the interest of its heirs, who have only put on different clothes, changed the name, but in the shop everything has remained the same—both the storekeepers and the goods. They simply did not care to whom Kosovo would belong, who would live in the cradle of the Serbs. They forget that it is impossible to even think about the existence of a Serbian state without a Serbian Kosovo, just as there is no Serbian people itself without Kosovo, because Kosovo is the soul of the Serb. A body without a soul is a corpse, and we are already seeing the moral and spiritual disintegration of the Serbian people.

[NIN] Reverend Bishop, is it possible to explain all of that just in terms of communism and socialism? There is a great deal of talk about trade, and informed people know that Kosovo is a great attribute....

[Radosavljevic] Communism and the present "socialism" in Serbia cannot fail to be to blame not only for the present situation in Kosmet, but also for the destiny of the entire Serbian people in all Serbian lands and regions. But as for Kosovo itself, what is obvious is everything done by the communist government over some 45 years of its rule and everything promised to this people, but not done by the incumbent Socialist Party, headed by Mr. Milosevic. It is all a case of wheeling and dealing and its purpose was in the case of the former to keep them in power and in the case of the latter to come to power and dig in.

But the wheeling and dealing does not stop there. We have the sense that Kosovo is the last asset that will be thrown on the table in order to preserve the power on Dedinje once gained and consolidated. Nevertheless, I think they will find this to be a plan made apart from those concerned.

[NIN] His Holiness, Patriarch Pavle, recently said in Prohor Pcinjski that "there is no holy war here" and "the faith does not spread by fire and the sword." Politics creates such relations. Your Reverence, it seems, is more radical than the head of the Serbian Orthodox Church [SPC].

[Radosavljevic] I think that on this issue there is no difference between me and His Holiness Patriarch Pavle. We all know the Orthodox Christianity has never used the "fire and sword" in spreading the faith and forcibly winning over believers. But if there is no holy war for us, there is the blessing and approval of a defensive war. And the Serbian people has mainly waged such wars, which have been forced on them.

[NIN] On that same occasion, the Serbian patriarch renewed his invitation to the heads of religious communities from the territories of the former Yugoslavia to meet and help to prevent war. Have you had contacts with the Islam representatives?

[Radosavljevic] We have no contacts whatsoever.

[NIN] Have there been feelers?

[Radosavljevic] There have been no feelers from either side.

[NIN] Do you feel that interfaith discussions are unnecessary?

[Radosavljevic] I am not saying that. First, however, it would be best for representatives of the peoples to meet to establish a dialogue. These interfaith discussions of ours cannot be of use, because there is no sincerity.

[NIN] In case of relatively successful political negotiations, could interethnic intolerance be moderated by ecumenical summit meetings?

[Radosavljevic] If there is goodwill on the part of all the negotiators, then—yes. But who today among the Muslim representatives is listening to his own Selimoski, who among representatives of the Serbs is listening to what His Holiness Patriarch Pavle is saying, who of the Croatian warriors is listening to Cardinal Kuharic? All three sides have their political objectives and are striving to achieve them, and we can say what we like without having any influence whatsoever on the actual course of events.

There has been dialogue between our patriarch and Cardinal Kuharic, first in Karlovci and then in Slavonski Brod, and did this have any influence on the course of the war in the Serbian krajinas—I intentionally do not

say in Croatia, because war is being waged exclusively in Serbian krajinas. It had no influence whatsoever.

[NIN] In recent years, Serbs have been noticeably returning to the past and burying themselves in history. Do you consider this harmful?

[Radosavljevic] When it comes to burying oneself, it is harmful, but if it is a question of relating the present to the past, that is something else. There cannot even be a pumpkin without roots, not to mention a people without history. A people which renounces its past does not even deserve its future.

There is indeed no other way for the Serbs to talk than through the prism of the past, because it shines regardless of the numerous mistakes and even sins. That past was a commitment to the Heavenly Kingdom, that is what gives Kosovo a special dimension. Kosovo is not just a geographic term, it is the spiritual content of the Serbian people.

[NIN] The abuses of the past are also striking. Three years ago the entire political corps from Belgrade came here for the celebration of the Battle of Kosovo. But it has not been back.

[Radosavljevic] Clearly, at that time the position of the incumbent party and Mr. Milosevic was being consolidated, although manipulation of that sacred act was obvious even then to spiritually awakened Serbs. Even then, Mr. Milosevic did not honor Holy Prince Lazar with his visit to Gracanica to pay respect to his holy ancestor, as befits the ruler of the country of which Mr. Milosevic is now the president. He came down out of the sky in a helicopter and went back into the sky. He came only in order to gain the sympathies of the Serbian people by his presence.

And he did in fact succeed.

In his later actions, and especially when he subordinated being president of Serbia to being president of a party, he lost prestige, regardless of all the elections he has won so far.

I say in all seriousness: He will win every election they organize in the future as well. These are not elections, but the gathering of votes as needed. Tudjman recently won again in the same fashion.

[NIN] Reverend Bishop, please clarify for us the earlier position that Kosovo cannot be defended under the present government.

[Radosavljevic] This administration that is ruling Serbia and the so-called "third Yugoslavia" has no national program in whose context all the problems, including the problems here, would be solved.

[NIN] Would a change of the ruling elite be sufficient?

[Radosavljevic] No, the system also has to be changed, because if it is still the same kitchen, the same smells will still come from it. The entire kitchen has to be changed.

[NIN] In that context, it is interesting that a group of Kosovo Serbs recently came to Belgrade to defend Mr. Milosevic from the federal prime minister, according to what they said themselves.

[Radosavljevic] Anyway, that group of citizens has nothing at all to do with the Gracanica Declaration and Decani Proclamation or the resistance of the Serbian people that has rallied around them.

[NIN] But with those manipulations which you mentioned?

[Radosavljevic] Quite certainly....

[NIN] Are not divisions, including even intolerance among parties, additional reasons for the problems of the Serbs here?

[Radosavljevic] In Kosovo, you know, there is hardly any division by parties at all, because 90 percent of the Serbs are in favor of the Socialist Party for the reasons we have already mentioned.

[NIN] At the Second Mass Christening of "our people who have gone unbaptized for 50 years," in Decani you said that you hoped that we would "become Christians with our hearts, not just baptized in name."

[Radosavljevic] Our people go to church out of tradition and habit, those are ties that frequently come from custom, and there are few essential transformations. Those two mass christenings were a great undertaking and undoubtedly success, but I also know that those Serbs who lived unchristened for half a century will have a hard time changing anything in their lives by being baptized now. What I mean is that there is no benefit from the baptism itself unless they strive to become true Christians in their lives, and above all to understand and become aware of their sin and to avoid it. No one is a true Christian without fighting sin, even though he has been baptized in accordance with Orthodox rites. We are members of our people, up to now unchristened, we have offered the opportunity for them to become members of the church, but what they will do after that and how zealous they will be is up to them.

[NIN] It is probably not easy for such a high church official to admit that he cannot be certain of the spiritual state of believers, new and old.

[Radosavljevic] You know, at the time of that first baptism in Gracanica, I felt that to some extent the very event of a mass christening was a celebration of a new half century now that the Holy Spirit has come down to an entire people. Since Mutimir, this is the largest christening of Serbs who were born and have grown up in Serbia. Even I myself was amazed at the number of those who had not been baptized. In our history, no one went unbaptized longer than a few months, in the worst case a

few years. We are happy that so many people responded to our call, because this shows that there has been a spiritual revival, but there has to be more than a mere baptism. That is the first step, and no journey ever consists of one step.

[NIN] SPC representatives are taking a noticeable part in public life, and Serbs are more and more ready to answer the call of the church both here and in Serbia....

[Radosavljevic] Do not talk like that, this is Serbia! In any case, you are right, people are coming to the church ever more willingly and zealously. This itself is indicative of our part of responsibility for the state of the Serbian people's spirit. The people cannot on its own assume responsibility and guilt, nor can we put all the blame on the Communist Party, which undoubtedly contributed greatly to alienation of the people from the church through blackmail, threats, and penalties. Quite a bit of the responsibility also falls upon us, priests and bishops, because it seems to me that we were not up to our calling or to the times. There were many oversights, inconsistencies, and things we did not spell out. Thank the Lord, recently this has been noticed, and the clergy are performing their pastoral service more zealously.

[NIN] Is it obvious that political leaders in all areas have been unsuccessful in taking part in the new and intensified turn of the people toward the church?

[Radosavljevic] I would not agree with that, because a disappointed communist cannot be a good believer.

[NIN] Are you talking about those popularly referred to as "new believers," those who are suddenly converted and do not even know how to cross themselves properly, but speak out loud about God and the faith?

[Radosavljevic] Yes, about them as well. Many are today becoming "believers" out of opportunism, because it is more profitable than declaring yourself to be an unbeliever. The same motives which formerly turned believers into unbelievers and communists are today turning the "unbelievers" into believers. And both then and now this is a case of interest, position, political office, a comfortable life.

Today, many believers who never ceased to believe are complaining that they cannot get into the church because of these newly made "believers." Their annoyance is justified, and it is often felt even by us priests.

Nevertheless, we pray to God that our entire people will undergo a true and real conversion, that they will meet the living Christ Lord and that Saul will become Paul.

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